STATUTES OF CALIFORNIA

1988–89

REGULAR SESSION

1989 CHAPTERS

CHAPTER 1

An act to add and repeal Article 10.5 (commencing with Section 1339.30) to Chapter 2 of Division 2 of the Health and Safety Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 13, 1989. Filed with Secretary of State January 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature to provide for a Special Hospital: Hospice Pilot Project specially designed for patients and their families facing terminal illness.

SEC. 2. Article 10.5 (commencing with Section 1339.30) is added to Chapter 2 of Division 2 of the Health and Safety Code, to read:

Article 10.5. Special Hospital: Hospice

1339.30. A Special Hospital: Hospice Pilot Project is hereby created. This pilot project shall be four years in duration, shall be established and administered by the department, and shall consist of up to three pilot projects, one of which shall be located in San Diego. The department shall license facilities which are part of the pilot project for the duration of the pilot project as a special hospital: hospice. No person or entity shall be licensed as a special hospital: hospice unless that person or entity is participating in this pilot project.

The purpose of the pilot project is to determine the need of hospice patients for acute inpatient hospital care.

This article shall not preclude the provision of appropriate hospice services in other settings.

The pilot project does not constitute an approved project as defined in subdivision (b) of Section 429.71.

1339.31. For the purposes of this article, the following definitions shall apply:

(a) "Hospice" means a specialized form of multidisciplinary health care which is designed to provide palliative care, alleviate the physical, emotional, social and spiritual discomforts of an individual who is experiencing the last phases of life due to the existence of a terminal disease, and to provide supportive care for the primary care giver and the family of the hospice patient, and which meets all of the following criteria:

(1) Considers the patient and the patient's family, in addition to the patient, as the unit of care.

(2) Utilizes a multidisciplinary team to assess the physical, medical, psychological, social, and spiritual needs of the patient and the patient's family.

(3) Requires the multidisciplinary team to develop an overall plan of care and to provide coordinated care, which emphasizes supportive services such as home care, pain control, and limited inpatient services. Limited inpatient services are intended to ensure both continuity of care and appropriateness of services for those patients who cannot be managed at home because of acute complications or the temporary absence of a capable primary care giver.

(4) Provides for the palliative medical treatment of pain and symptoms associated with a terminal illness but does not provide for efforts to cure disease.

(5) Provides for bereavement following death to assist the family to cope with social and emotional needs associated with the death of the patient.

(6) Actively utilizes volunteers in the delivery of hospice services.

(7) To the extent appropriate, based on the medical needs of the patient, provides services in the patient's home or primary place of residence.

(b) "Palliative care" means interventions that focus primarily on reduction or abatement of pain and other disease-related symptoms, rather than treatment aimed at investigation and intervention for the purpose of cure or prolongation of life.

(c) "Primary care giver" means the individual who is identified as the primary person charged with responsibility for the care of the hospice patient who agrees to accept that responsibility. The individual designated may be a family member, a friend or an individual hired by the hospice patient but shall be an individual who is actually available to provide 24-hour coverage for care of the hospice patient. However, it shall not be necessary that the individual reside in the hospice patient's home.

(d) "Primary place of residence" means the patient's long-term residence and includes the patient's home, a friend's home, a congregate living health facility, a hospice residential care facility, or a skilled nursing facility if the patient resides there on a permanent full-time basis.

(e) "Special hospital: hospice" means a health facility which is a component part of a hospice, as defined in subdivision (a), and which provides general inpatient care, as defined in federal Medicare program regulations adopted pursuant to Section 1861(dd)(2) and Section 1814(a)(7) of the federal Social Security Act.

(f) "Terminal illness" means a medical condition resulting in a life expectancy of the patient of six months, or less.

1339.32. A special hospital: hospice shall be deemed to provide acute palliative care. All patients receiving inpatient care in a Special Hospital: Hospice Pilot Project shall be admitted by, and under the supervision of, a physician member of the organized medical staff.

1339.33. Notwithstanding any other provisions of law, in order to be licensed as a special hospital: hospice, each pilot project facility shall meet the requirements of Sections 70101 to 70137, inclusive,

70201 to 70219, inclusive, 70241 to 70279, inclusive, 70701 to 70707, inclusive, and 70708 to 70765, inclusive, of Title 22 of the California Code of Regulations; Sections 2-1001A to 2-1015A, inclusive, Section 2-1018A, Sections 2-1020A to 2-1024A, inclusive, Sections 2-1026A to 2-1028A, inclusive, Section 2-1040A, Section 2-1044A, and Section 2-1051A of Title 24 of the California Code of Regulations. In addition to complying with these regulations in Titles 22 and 24 of the California Code of Regulations, each facility shall meet, for the duration of the pilot project, the hospice standards used by the Medicare program (42 C.F.R., Part 418, Sections 418.1 to 418.405, inclusive) the Medi-Cal program (subdivision (e) of Sections 51003 to 51543, inclusive, of Title 22, California Code of Regulations), and the Joint Commission on the Accreditation of Healthcare Organizations' "Hospice Standards Manual."

Each facility licensed as a special hospital: hospice shall maintain a transfer agreement with a general acute care hospital.

1339.34. Each facility which is part of the pilot project shall report to the Legislature at the end of each year of operation for three years on the following factors: acuity levels of patients using the pilot project facilities; relative cost effectiveness of the pilot facilities; quality of care in the pilot facilities; utilization of the pilot facilities; and staffing requirements of the pilot facilities. Reports shall be submitted to the Legislature no later than three months after the close of the 12-month period for which the report is made. However, the Legislature may approve requests to extend this deadline which are submitted no later than 30 days prior to the deadline and which state the reason for the delay and corrective measures which have been taken to avoid future delays. No report deadline will be extended for more than three months beyond the original report date.

1339.35. The pilot project shall commence on January 1, 1990. However, the State Department of Health Services may establish an earlier commencement date for any one of the pilot facilities if that pilot facility has been licensed as a special hospital: hospice prior to January 1, 1990.

1339.36. The fee for each new or renewal application for a license for a Special Hospital: Hospice Pilot Project facility shall be the annual fee as set forth for general acute care hospitals in subdivision (a) of Section 1266. If the annual fees do not cover the necessary costs which the Division of Licensure and Certification expends to manage this pilot project, the facilities shall be assessed an annual pro rata share of the excess costs.

1339.37. This article shall remain in effect until the 365th day following receipt by the Legislature of the last report to be submitted pursuant to Section 1339.34, and on that date is repealed, unless a statute enacted before that date deletes or extends the date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

In order to provide immediate and appropriate palliative services needed for acutely and terminally ill hospice patients, it is necessary for this act to take effect immediately.

CHAPTER 2

An act relating to public water systems, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 13, 1989 Filed with Secretary of State January 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. The sum of two million nine hundred eighty-seven thousand five hundred dollars ($2,987,500) is hereby appropriated from the General Fund to the State Department of Health Services for expenditure for ongoing implementation of Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code and related public water system supervision programs during the period from January 1, 1989, to June 30, 1989, inclusive.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The state's safe drinking water program regulates public water systems in the state to ensure the delivery of safe, potable drinking water to all Californians. Unless funding is made available, the state drinking water regulatory program will cease on January 1, 1989, thus endangering the public health by exposure to potential contamination and waterborne disease outbreaks. In order, therefore, to protect public drinking water supplies, it is necessary that this act take effect immediately.

CHAPTER 3

An act to amend Sections 76000, 77200, and 77202 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 13, 1989. Filed with Secretary of State January 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 76000 of the Government Code is amended to read:

76000. (a) In each county, provided that the board of supervisors has adopted a resolution stating that the provisions of this section and Section 76001, 76002, 76004, 76005, 76006, 76008, or 76009 are necessary to the establishment of adequate facilities in the county, the following surcharges and assessments shall be collected, except that a resolution adopted pursuant to Section 76004 may limit the collection to the assessments specified in paragraph (2) or (3), as applicable, a resolution adopted pursuant to Section 76005 or 76008 shall limit the collection to the assessments specified in paragraph (2), and a resolution adopted pursuant to Section 76009 shall limit the collection to the assessments specified in paragraph (4):

(1) Except as limited by resolution pursuant to this subdivision, with respect to each fund established pursuant to Section 76001, 76002, 76004, or 76006, for every parking offense where a fine or forfeiture is imposed, a surcharge of one dollar and fifty cents ($1.50) shall be included in the fine or forfeiture.

The judges of the county shall increase the bail schedule amounts as appropriate to reflect the surcharge provided for by this subdivision.

In those cities, districts, or other issuing agencies which elect to receive, deposit, accept forfeitures, and otherwise process the posting of bail for parking violations pursuant to subdivision (3) of Section 1463 of the Penal Code, that city, district, or issuing agency shall observe the increased bail amounts as established by the court reflecting the surcharge provided for by this paragraph.

(2) With respect to each fund established pursuant to Section 76002, 76004, or 76005, except in the counties listed in paragraph (3), and with respect to each fund established pursuant to Section 76008, there shall be levied an additional amount of one dollar ($1) for every ten dollars ($10) or fraction thereof which shall be collected together with and in the same manner as the assessment established by Section 1464 of the Penal Code, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians

or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to clause (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code. This amount shall be deposited with the county treasurer and placed in the fund established pursuant to Section 76002, 76004, 76005, or 76008.

(3) Except as provided in subdivision (h) of Section 76006, but notwithstanding any other provision of law, in Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Monterey, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Ventura, and Yolo Counties, with respect to each fund established pursuant to Section 76001, 76004, or 76006, there shall be levied an additional amount of two dollars ($2) for every ten dollars ($10) or fraction thereof which shall be collected together with and in the same manner as the assessment established by Section 1464 of the Penal Code, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to clause (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code. These amounts shall be deposited with the county treasurer and placed in the funds established pursuant to Sections 76001, 76004, and 76006.

(4) With respect to each fund established pursuant to Section 76009, there shall be levied an additional amount of fifty cents ($.50) for every ten dollars ($10) or fraction thereof which shall be collected together with and in the same manner as the assessment established by Section 1464 of the Penal Code, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to clause (iii) paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code. This amount shall be deposited with the county treasurer and placed in the fund established pursuant to Section 76009.

(b) The surcharge and assessment increase imposed pursuant to this section shall continue so long as deposits to the funds are required pursuant to Section 76001, 76002, 76004, 76005, 76006, 76008, or 76009.

(c) No county, city and county, city, district or other issuing agency shall be required to contribute revenues to any fund in excess of those revenues generated from the surcharges and assessments established in the resolution adopted pursuant to this section, except

as otherwise agreed upon by the local governmental entities involved.

SEC. 2. Section 77200 of the Government Code is amended to read:

77200. (a) Except as provided in subdivisions (b) and (c) with respect to newly createdjudgeships, the Controller shall transmit to each option county quarterly payments on the block grant owing to that county based upon the number of judges, court commissioners, and referees in the county, as determined pursuant to Section 77202, multiplied each quarter by the sum of fifty-three thousand dollars ($53,000), as adjusted pursuant to Section 77201.

(b) With respect to judgeships authorized by Chapter 1211 of the Statutes of 1987, for any new judgeship in excess of 10 new judgeships for a particular option county, if the county's average quarterly appropriation for court operations for the 1987–88 fiscal year, as determined by the Controller, divided by the number of judges, referees, and court commissioners determined pursuant to Section 77202 for that year (the base year quarterly cost per judge), exceeds the applicable sum specified in subdivision (a) as adjusted pursuant to Section 77201 (the base year quarterly block grant), instead of the quarterly multiplier determined pursuant to subdivision (a), the quarterly multiplier for each such new judgeship shall be:

(1) For the first four quarters following the creation of that judgeship, the base year quarterly cost per judge.

(2) For the second four quarters thereafter, the applicable sum specified in subdivision (a) as adjusted pursuant to Section 77201 (the standard current quarterly block grant), plus 75 percent of the difference between the base year quarterly cost per judge and the base year quarterly block grant.

(3) For the third four quarters thereafter, the standard current quarterly block grant, plus 50 percent of the difference between the base year quarterly cost per judge and the base year quarterly block grant.

(4) For the fourth four quarters thereafter, the standard current quarterly block grant, plus 25 percent of the difference between the base year quarterly cost per judge and the base year quarterly block grant.

For purposes of this subdivision, a judgeship created upon the adoption of a resolution by the board of supervisors shall be deemed to be created in the quarter in which the resolution is adopted.

(c) With respect to judgeships authorized by statutes which take effect on or after January 1, 1990, if the county's average quarterly appropriation for court operations for the fiscal year preceding the effective date of that statute, as determined by the Controller, reduced by the average quarterly amount of funds, if any, received during that fiscal year pursuant to Section 77207, divided by the number of judges, referees, and court commissioners determined pursuant to Section 77202 for that year (the base year quarterly cost per judge), exceeds the quarterly multiplier for the fiscal year in

which the statute takes effect (the comparison year quarterly block grant), instead of the quarterly multiplier determined pursuant to subdivision (a), the quarterly multiplier for each such new judgeship shall be:

(1) For the first fiscal year following the effective date of the statute authorizing that judgeship, the base year quarterly cost per judge.

(2) For the second fiscal year thereafter, the applicable sum specified in subdivision (a) for each quarter of the current fiscal year as adjusted pursuant to Section 77201 (the standard current quarterly block grant), plus 75 percent of the difference between the base year quarterly cost per judge and the comparison year quarterly block grant.

(3) For the third fiscal year thereafter, the standard current quarterly block grant, plus 50 percent of the difference between the base year quarterly cost per judge and the comparison year quarterly block grant.

(4) For the fourth fiscal year thereafter, the standard current quarterly block grant, plus 25 percent of the difference between between the base year quarterly cost per judge and the comparison year quarterly block grant.

(d) Quarterly payments shall be transmitted by the Controller on or before the 15th day of that quarter, except that payments for the quarter beginning January 1, 1989, shall be made no later than February 15, 1989.

SEC. 3. Section 77202 of the Government Code is amended to read:

77202. The number of judges, court commissioners, and referees for the purpose of calculating the block grant for a county shall be as follows:

(a) The number of superior and municipal court judges for purposes of calculating the block grant shall be those authorized by Section 4 of Article VI of the California Constitution and those authorized by statute. For purposes of this chapter, a judgeship created upon the adoption of a resolution by the board of supervisors shall be deemed to be "authorized by statute" beginning with the fiscal quarter next following the adoption of that resolution.

(b) The number of justice court judges for purposes of calculating the block grant shall be the number of positions in effect on January 1, 1988, as revised thereafter by statute. However, the block grant for a part-time justice court judgeship shall be prorated according to the percentage of a full-time workweek, as determined pursuant to Section 68202.5.

(c) The number of subordinate judicial officers for purposes of calculating the block grant shall be the number of full-time equivalent court commissioners and referees authorized by statute, funded, filled, and reported to the Judicial Council on or before January 1, 1987, plus any such positions thereafter created on or before October 1, 1987, plus any such positions specifically

authorized by statute taking effect after January 1, 1988, funded, filled, and reported to the Judicial Council.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make needed corrections in the laws relative to criminal justice facility construction and trial court funding as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 4

An act to amend Sections 19858.3, 19858.4, and 19879.1 of, and to add Sections 19858.5 and 19858.6 to, the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 8, 1989. Filed with Secretary of State February 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19858.3 of the Government Code is amended to read:

19858.3. This article shall apply to all of the following:

(a) Employees designated managerial by the Department of Personnel Administration in accordance with subdivision (e) of Section 3513 and Section 18801.1.

(b) Nonelected officers of the executive branch of government exempt from civil service designated by the department as eligible to receive managerial benefits.

(c) A State Traffic Sergeant in the California Highway Patrol.

(d) Commencing January 1, 1989, employees in a state bargaining unit for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to be subject to this article and has been approved by the Legislature pursuant to law.

SEC. 2. Section 19858.4 of the Government Code is amended to read:

19858.4. In lieu of the sick leave and vacation provisions of Sections 19858.1 and 19859, eligible employees, as defined by subdivisions (a), (b), and (c) of Section 19858.3, may make an irrevocable election to participate in an annual leave program. Each employee who has elected to participate in the annual leave program and who is employed full time shall receive credit for annual leave with pay in accordance with the following schedule:

1 month to 3 years	11 hours per month
37 months to 10 years	15 hours per month
121 months to 15 years	17 hours per month
181 months to 20 years	18 hours per month
241 months to 25 years	19 hours per month
301 months and over	20 hours per month

Part-time and hourly employees shall accrue proportional annual leave credits based on the schedule in this section. The time when annual leave shall be taken shall be determined by the appointing power of the officer or employee. Employees shall have use of any accrued sick leave they have accrued at the time they elect the annual leave program under the same conditions as other employees not participating in the program.

The department shall provide by rule for the regulation and accumulation of annual leave, the effect of an absence from the payroll of 10 work days or less in any calendar month upon credit for annual leave, methods by which employees leaving the employment of one state agency and entering the employment of another state agency may be compensated for, transfer, or otherwise receive proper credit for, their accumulated annual leave, and other provisions necessary for the administration of this section.

SEC. 3. Section 19858.5 is added to the Government Code, to read:

19858.5. In lieu of sick leave and vacation provisions of Sections 19858.1 and 19859, eligible employees, as defined by subdivision (d) of Section 19858.3, may participate in an annual leave program subject to the conditions of Section 19858.6. Each employee who participates in the annual leave program and who is employed full time shall receive credit for annual leave with pay in accordance with the following schedule:

1 month to 3 years	11 hours per month
37 months to 10 years	14 hours per month
121 months to 15 years	16 hours per month
181 months to 20 years	17 hours per month
241 months and over	18 hours per month

Part-time and hourly employees shall accrue proportional annual leave credits based on the schedule in this section. The time when annual leave shall be taken shall be determined by the appointing power of the officer or employee. Employees shall have use of any accrued sick leave they have accrued at the time they elect the annual leave program under the same conditions as other employees not participating in the program.

The department shall provide by rule for the regulation and accumulation of annual leave, the effect of an absence from the payroll of 10 work days or less in any calendar month upon credit for annual leave, methods by which employees leaving the employment

of one state agency and entering the employment of another state agency may be compensated for, transfer, or otherwise receive proper credit for, their accumulated annual leave, and other provisions necessary for the administration of this section.

SEC. 4. Section 19858.6 is added to the Government Code, to read:

19858.6. Participation in an annual leave program for eligible employees, as defined in subdivision (d) of Section 19858.3, shall be subject to the following conditions:

(a) Employees who are in an eligible position on the effective date specified in the memorandum of understanding may make an irrevocable election to be subject to Section 19858.5.

(b) Employees who become eligible on or after the effective date specified in the memorandum of understanding shall be subject to the annual leave program.

SEC. 5. Section 19879.1 of the Government Code is amended to read:

19879.1. (a) For the purpose of this section, an eligible employee is an employee defined by Section 19858.3.

(b) Notwithstanding any other provision of this article, an eligible employee who has enrolled in the annual leave program under Article 2.5 (commencing with Section 19858.3) shall receive nonindustrial disability leave benefits in accordance with all of the following:

(1) A disabled employee shall be eligible to receive Nonindustrial Disability Insurance benefits in an amount equal to one-half full pay, 50 percent of gross salary.

(2) A disabled employee shall be eligible to receive Nonindustrial Disability Insurance benefits without being required to use any sick leave accrued under Article 3 (commencing with Section 19859) or annual leave accrued under Article 2.5 (commencing with Section 19858.3) unless the employee, in his or her sole discretion, elects to use sick leave or annual leave in lieu of receiving benefits.

(3) If the employee elects to use sick leave or annual leave credits prior to receiving Nonindustrial Disability Insurance payments, he or she shall not be required to exhaust the accrued leave balance.

(4) Following the start of Nonindustrial Disability Insurance payments, an employee may at any time change from the receipt of Nonindustrial Disability Insurance payments to the utilization of sick leave or annual leave. Once such an election is made, the employee may not recommence receiving Nonindustrial Disability Insurance payments until that leave is exhausted.

(5) In accordance with the state's return to work policy, an employee who is eligible to receive Nonindustrial Disability Insurance benefits and who is medically certified as unable to return to his or her full-time work during the period of his or her disability, may, with medical approval, and at the discretion of his or her appointing power, work up to the number of hours, in hour increments, which when combined with his or her Nonindustrial

Disability Insurance benefits will result in a salary which does not exceed 100 percent of his or her regular full pay.

(6) If an employee refuses to return to work in a position offered by the employer under the state's Injured State Worker Assistance Program, Nonindustrial Disability Insurance benefits shall be terminated effective as of the date of the offer.

(7) An employee may with his or her department head's approval elect to supplement Nonindustrial Disablity Insurance benefits with sick or annual leave up to 100 percent of his or her regular full pay.

SEC. 6. The provisions of the following memoranda of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organizations on the dates listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

(a) Unit 2—Association of California State Attorneys and Administrative Law Judges dated October 28, 1988.

(b) Unit 8—California Department of Forestry Employees' Association dated October 1, 1988.

(c) Unit 10—California Association of Professional Scientists dated October 17, 1988.

(d) Unit 12—Alliance of Trades and Maintenance dated November 1, 1988.

(e) Unit 13—International Union of Operating Engineers dated September 16, 1988.

(f) Unit 16—Union of American Physicians and Dentists dated September 16, 1988.

(g) Unit 18—California Association of Psychiatric Technicians dated November 21, 1988.

SEC. 7. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 8. Any provision in a memorandum of understanding approved by any section in this act and which requires the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. In the event that funds for these provisions are not specifically appropriated by the Legislature, all or any part of any such memorandum of understanding may be declared null and void by any affected employee organization.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1988–89 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 5

An act relating to the Simi Valley Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 24, 1989 Filed with Secretary of State February 24, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) The Simi Valley Unified School District is a recipient of state school construction funding under the State School Building Aid Law of 1952. The Simi Valley Unified School District is required, accordingly, under statute, to make specified repayments to the state on the basis of a designated property tax rate to be applied to property within the district.

(b) The school facilities funding program currently employed by this state is the Leroy F. Greene State School Building Lease-Purchase Law of 1976, under which sufficient funding is not available to meet the school facilities needs of school districts throughout the state.

(c) The application of local funding sources to district school facilities needs is encouraged, therefore, in order to alleviate the statewide demand on the state program of school facilities funding. Pursuant to that purpose, the statutory repayment schedule applicable under the State School Building Aid Law of 1952 should be revised so as to reduce the property tax rate that would otherwise be applicable in the Simi Valley Unified School District, thus facilitating the approval of a general obligation bond measure within that district that is to be voted on by the electors of that district at an election to be held March 7, 1989.

SEC. 2. (a) Notwithstanding Section 16071 or any other provision of Chapter 8 (commencing with Section 16000) of Part 10 of the Education Code, the tax amounts utilized in the calculation under Section 16075 of the Education Code of the annual repayment obligation of the Simi Valley Unified School District shall not exceed the tax amounts specified in Section 16070 of the Education Code.

(b) Subdivision (a) shall become operative only if a local general obligation bond measure, which measure includes within its purposes the funding of the rehabilitation of school facilities, is approved by the voters of the Simi Valley Unified School District on March 7, 1989, in which event subdivision (a) shall become operative March 7, 1989.

SEC. 3. Due to the unique circumstances specified in Section 2 of this act concerning the Simi Valley Unified School District, the

Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To set forth an exemption to the requirement that will facilitate the approval of a local general obligation bond measure to be voted on at an election to be held on March 7, 1989, it is necessary that this act take effect immediately.

CHAPTER 6

An act relating to developmental services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 2, 1989 Filed with Secretary of State March 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding any provision of the Budget Act of 1988, the Department of Developmental Services shall provide funding to cover any delay in federal reimbursements specified in category (e) of Item 4300-101-001 of the Budget Act of 1988 until the 1989 May Revision is submitted to the Legislature by the Director of Finance.

SEC. 2. (a) If the Director of Finance determines that there are sufficient additional uncommitted General Fund resources to meet the estimated expenditures in category (a) of Item 4300-101-001 of the Budget Act of 1988, the Director of Finance shall so notify the Legislature as part of the 1989 May Revision.

(b) There is hereby appropriated a sum of up to twenty-four million five hundred seventy-nine thousand dollars ($24,579,000) from the General Fund to the Department of Developmental Services in augmentation of Item 4300-101-001 of the Budget Act of 1988, to be allocated only upon order of the Director of Finance pursuant to subdivision (a). As this funding is being provided to offset the delay of federal reimbursements, the Director of Finance is hereby authorized to reduce reimbursements under category (e) of Item 4300-101-001 of the Budget Act of 1988 by the amount allocated pursuant to this subdivision.

SEC. 3. If the Director of Finance determines that there are not sufficient additional uncommitted General Fund resources to support the regional centers' budget in category (a) of Item 4300-101-001 of the Budget Act of 1988, the Director of Finance shall

so notify the Legislature as part of the 1989 May Revision.

The Controller, upon request of the Director of Finance, not sooner than 10 days after notification to the Joint Legislative Budget Committee, shall transfer from the General Fund to Item 4300-101-001 of the Budget Act of 1988 a total of up to twenty-four million five hundred seventy-nine thousand dollars ($24,579,000), which is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund, as a loan, to the General Fund.

SEC. 4. The loan made to the General Fund from the Motor Vehicle Account in the State Transportation Fund pursuant to Section 3 of this act shall be repaid not later than July 1, 1989.

SEC. 5. The Department of Developmental Services shall continue to pursue the receipt of federal reimbursements for targeted case management services. Any funds received from the federal government for services provided in the 1988-89 fiscal year for targeted case management services shall be deposited as revenue to the General Fund.

SEC. 6. Notwithstanding Provision 1 of Item 4300-002-001 of the Budget Act of 1988, the Controller shall transfer the funds appropriated in Item 4300-002-001 of the Budget Act of 1988 to, and in augmentation of, Item 4300-001-001 of the Budget Act of 1988, upon the effective date of this act.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Under the Budget Act of 1988 (Chapter 313 of the Statutes of 1988) the Department of Developmental Services (DDS) anticipated receiving a minimum of twenty-seven million dollars ($27,000,000) in federal reimbursements under the Targeted Case Management Program (Title XIX) to help fund regional center services for the developmentally disabled. However, the Health Care Financing Administration (HCFA), which administers Title XIX, has denied funding to California on the grounds that federal payments for case management would duplicate similar programs which have traditionally been funded by the state. As a consequence of HCFA's action, the moneys actually available to DDS during the current fiscal year will be insufficient to meet expenditures which the Budget Act had authorized previously for support of regional center operations.

In order to provide funds to continue vital regional center services to developmentally disabled persons for the remainder of the 1988–89 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 7

An act to amend Sections 25135.3, 25135.6, and 25135.7 of the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 3, 1989 Filed with Secretary of State April 3, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25135.3 of the Health and Safety Code is amended to read:

25135.3. The Association of Bay Area Governments, the Southern California Association of Governments, the Sacramento Area Council of Governments, and the Association of Monterey Bay Area Governments may, at the discretion of their governing boards, prepare a regional hazardous waste management plan to serve as a resource document and to identify hazardous waste management issues, needs, and solutions at the regional level. A council of governments specified in this subdivision shall include in the regional plan additional counties affected by the regional plan, at the request of the councils of governments for those counties. A council of governments shall prepare the regional plan pursuant to the following procedure:

(a) A council of governments specified in this subdivision may apply to the department for funding pursuant to paragraph (3) of subdivision (b) of Section 25135.8.

(b) On or before December 31, 1987, a council of governments which receives funding from the department shall prepare a draft regional hazardous waste management plan and submit the draft plan to the department. If a council of governments shows the department that it has made substantial compliance towards completing the draft regional hazardous waste management plan and needs additional time to complete the draft regional plan, the department may extend, to March 31, 1988, the date by which the draft regional plan is required to be submitted. The council of governments shall involve the public with the preparation of the draft plan, to the fullest extent possible, by public hearings, informational meetings, and other appropriate forums that offer the public the opportunity to respond to clearly defined alternative objectives, policies, and actions.

(c) From January 1, 1988, to March 31, 1988, or, if the department has given the council of governments a time extension pursuant to subdivision (b), on or before June 30, 1988, the council of governments shall conduct hearings on the draft regional hazardous waste management plan, in the number determined appropriate by the council of governments. The council of governments shall provide affected local jurisdictions, the public, industry, business

organizations, and the hazardous waste management industry with a full opportunity to comment orally and in writing on the draft plan.

(d) On or before March 31, 1988, or, if the department has given the council of governments a time extension pursuant to subdivision (b), on or before June 30, 1988, the department shall review the draft plan, and provide the council of governments with comments on the draft plan.

(e) After conducting the review and comment period required by subdivision (c), the council of governments shall revise, as appropriate, the draft regional hazardous waste management plan.

(f) On or before September 30, 1988, or, on or before January 31, 1989, if the council of governments is given a time extension pursuant to subdivision (g), the council of governments shall complete and adopt the plan.

(g) On or before October 1, 1988, the council of governments shall submit the final regional hazardous waste management plan adopted by its governing board to the department for review and approval. If a council of governments shows the department that the council of governments has made substantial progress towards completing the regional hazardous waste management plan and needs more time to complete the plan, the department may extend this date to September 1, 1989. The department shall approve the regional plan if the department determines that all of the following requirements are met:

(1) The regional plan is consistent with the guidelines for the preparation of regional hazardous waste management plans adopted by the department.

(2) The regional plan applies the methods, techniques, and policies established by the department to analyze the waste stream and to determine whether there is a need for additional or expanded hazardous waste facilities to safely manage and properly dispose of the hazardous waste produced within the region.

(h) Throughout the process of preparing a regional hazardous waste management plan, a council of governments shall cooperate and consult with representatives and staff of affected counties and cities.

(i) Notwithstanding subdivisions (a) to (h), inclusive, of this section, if, pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, a joint powers agreement provides for the creation of the Southern California Hazardous Waste Management Authority, the Southern California Association of Governments shall, if it has elected to prepare a regional hazardous waste management plan pursuant to this section, transfer the responsibility for preparing the regional hazardous waste management plan and all funds received pursuant to subdivision (b) of Section 25135.8 to the authority, if the governing board of the authority requests the transfer by the adoption of a resolution. If the transfer takes place, the authority shall comply with this section in the same manner as this section applies to the

association. If the transfer of responsibility and funds authorized by this subdivision takes place and the authority is dissolved at any time before the regional hazardous waste management plan is approved by the department, the association shall prepare the regional hazardous waste management plan and any remaining funds received pursuant to subdivision (b) of Section 25135.8 shall be transferred back to the association.

SEC. 2. Section 25135.6 of the Health and Safety Code is amended to read:

25135.6. (a) A county shall prepare, review, and adopt the county hazardous waste management plan pursuant to the schedule specified in this section.

(b) On or before December 31, 1987, each county, with the cooperation of affected local jurisdictions and the advisory committee established pursuant to Section 25135.2, shall prepare a draft county hazardous waste management plan and submit the draft plan to the department. If a county shows to the department that the county has made substantial compliance towards completing the draft county hazardous waste management plan and needs additional time to complete the draft plan, the department may extend to March 31, 1988, the date by which the draft plan is required to be submitted. The county shall involve the public with the preparation of the draft plan, to the fullest extent possible, by public hearings, informational meetings, and other appropriate forums that offer the public the opportunity to respond to clearly defined alternative objectives, policies, and actions.

(c) On or before March 31, 1988, or, if the department has given the county a time extension pursuant to subdivision (b), on or before June 30, 1988, the county shall conduct hearings on the draft county hazardous waste management plan, in the number determined appropriate by the county. The county shall provide affected local jurisdictions, the public, industry, business organizations, and the hazardous waste management industry with the full opportunity to comment orally and in writing on the draft county hazardous waste management plan.

(d) On or before March 31, 1988, or, if the department has given the county a time extension pursuant to subdivision (b), on or before June 30, 1988, the department shall review the draft plan, and provide each county with comments which specify the changes or additions which are required to be made to the draft plan to result in a final plan which can be approved by the department pursuant to Section 25135.7.

(e) After conducting the review and comment period required by subdivision (c), each county shall revise, as appropriate, the draft county hazardous waste management plan.

(f) The revised county hazardous waste management plan shall be approved by a majority of the cities within the county which contain a majority of the population of the incorporated area of the county, subject to subdivision (g).

(g) The revised county hazardous waste management plan shall be submitted to each city within the county for their approval. Each city shall act upon the revised county hazardous waste management plan within 90 days after the city has received the plan. If a city fails to act upon the plan within 90 days of receiving the plan, the city shall be deemed to have approved the plan as submitted.

(h) On or before September 30, 1988, or, on or before May 31, 1989, if the county is given an extension pursuant to subdivision (a) of Section 25135.7, the county shall adopt the revised county hazardous waste management plan as the final county hazardous waste management plan. If the county is given an additional time extension to September 1, 1989, pursuant to subdivision (a) of Section 25135.7, the county shall adopt the revised county hazardous waste management plan as the final county hazardous waste management plan by August 31, 1989.

SEC. 3. Section 25135.7 of the Health and Safety Code is amended to read:

25135.7. (a) A county shall submit the final county hazardous waste management plan adopted by the county to the department for review and approval on or before October 1, 1988. If a county shows the department that the county has made substantial progress towards completing the county hazardous waste management plan and needs more time to complete the plan, the department may extend this date to June 1, 1989. If the department sends comments on the draft county hazardous waste management plan to a county after June 30, 1988, the department may extend the due date for submittal of the final county hazardous waste management plan for that county to September 1, 1989. The department shall, on or before December 31, 1988, or on or before November 30, 1989, if the county is given a time extension, review and either approve or disapprove the county hazardous waste management plan. If an additional time extension is given to September 1, 1989, pursuant to this subdivision, the department shall review and either approve or disapprove the county hazardous waste management plan on or before February 28, 1990. The department shall approve the county hazardous waste management plan if the department makes all of the following determinations:

(1) The plan substantially complies with the guidelines for the preparation of hazardous waste management plans adopted by the department.

(2) The plan applies the methods, techniques, and policies established by the department to analyze the waste stream and to determine whether there is a need for additional or expanded hazardous waste facilities to safely manage and properly dispose of the hazardous waste generated within the county.

(3) If the plan contains a determination pursuant to paragraph (5) of subdivision (d) of Section 25135.1 that there is a need for additional or expanded hazardous waste facilities, the plan proposes general areas, or, as determined appropriate by the county, proposes specific

sites which may be suitable locations for a facility. However, if the plan instead contains siting criteria for selecting sites for new hazardous waste facilities, the plan shall propose general areas where the criteria might be applicable.

(4) If the county preparing the plan has entered into a formal agreement with other counties to manage hazardous waste, the agreement is documented.

(b) Within 180 days after the department approves a county hazardous waste management plan, the county shall either incorporate the applicable portions of the plan, by reference, into the county's general plan, or enact an ordinance which requires that all applicable zoning, subdivision, conditional use permit, and variance decisions are consistent with the portions of the county hazardous waste management plan which identify specific sites or siting criteria for hazardous waste facilities.

(c) Within 180 days after receiving written notification from the department that it has approved the county hazardous waste management plan, each city within that county shall do one of the following:

(1) Adopt a city hazardous waste management plan containing all of the elements required by subdivision (d) of Section 25135.1 which shall be consistent with the approved county hazardous waste management plan.

(2) Incorporate the applicable portions of the approved county plan, by reference, into the city's general plan.

(3) Enact an ordinance which requires that all applicable zoning, subdivision, conditional use permit, and variance decisions are consistent with the portions of the approved county plan which identify general areas or siting criteria for hazardous waste facilities.

(d) This section does not limit the authority of any city to attach appropriate conditions to the issuance of any land use approval for a hazardous waste facility in order to protect the public health, safety, or welfare, and does not limit the authority of a city to establish more stringent planning requirements or siting criteria than those specified in the county hazardous waste management plan.

(e) Any amendment to an adopted county hazardous waste management plan requires the approval of the department, the county, and a majority of the cities within the county which contain a majority of the population of the incorporated area of the county.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide adequate opportunity for counties and regional councils of governments to respond to comments made on hazardous waste management plans by the State Department of Health Services and to make necessary related changes, thereby protecting the public health and safety, it is necessary that this act take effect immediately.

CHAPTER 8

An act to amend Sections 10800, 10801, 10802.1, 10805, and 10806 of the Health and Safety Code, and to amend Section 14083 of the Welfare and Institutions Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 7, 1989 Filed with Secretary of State April 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 10800 of the Health and Safety Code is amended to read:

10800. The Legislature hereby finds and declares that birth defects, stillbirths, and miscarriages represent problems of public health importance about which too little is known; that these conditions lead to severe mental anguish on the part of parents and relatives and frequently to high medical care costs; and that a system to obtain more information about these conditions could result in development of preventive measures to decrease their incidence in the future. Therefore, it is the intent of the Legislature in enacting this section to accomplish all of the following:

(a) To expand the program of birth defects monitoring.

(b) To provide information on the incidence and trends of birth defects, stillbirths, and miscarriages.

(c) To provide information to determine whether environmental hazards are associated with birth defects, stillbirths, and miscarriages.

(d) To provide information as to other possible causes of birth defects, stillbirths, and miscarriages.

(e) To develop prevention strategies for reducing the incidence of birth defects, stillbirths, and miscarriages.

(f) To conduct interview studies about the causes of birth defects.

(g) To affirm the authority of the state department to contract with a qualified entity to operate the birth defects monitoring program statewide.

SEC. 2. Section 10801 of the Health and Safety Code is amended to read:

10801. The director may establish a system for the collection of information concerning birth defects, stillbirths, and miscarriages. If such a system is established, the director shall require general acute care hospitals, with 15 days' notice, to make available to authorized program staff the medical records of children suspected or diagnosed as having birth defects, including the medical records of their mothers. In addition, hospitals shall make available the medical

records of mothers suspected or diagnosed with stillbirths or miscarriages and other records of persons who may serve as controls for interview studies about the causes of birth defects.

SEC. 3. Section 10802.1 of the Health and Safety Code is amended to read:

10802.1. (a) During the second half of the 1987–88 fiscal year, the birth defects monitoring program shall be expanded to the Counties of Alpine, Butte, Glenn, Inyo, Lake, Lassen, Mendocino, Modoc, Mono, Plumas, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Ventura.

(b) During the 1989–90 fiscal year, the birth defects monitoring program shall operate in all counties except the County of Los Angeles.

SEC. 4. Section 10805 of the Health and Safety Code is amended to read:

10805. (a) All information collected and analyzed pursuant to Sections 10801 and 10803 shall be confidential insofar as the identity of the individual patient is concerned and shall be used solely for the purposes provided in this division. Access to the information shall be limited to authorized program staff, and persons with a valid scientific interest, who meet qualifications as determined by the director, and who are engaged in demographic, epidemiological or other similar studies related to health, and who agree, in writing, to maintain confidentiality as prescribed herein.

(b) The state department shall maintain an accurate record of all persons who are given access to the information in the system. The record shall include: the name of the person authorizing access; name, title, and organizational affiliation of persons given access; dates of access; and the specific purpose for which information is to be used. The record of access shall be open to public inspection during normal operating hours of the state department.

(c) All research proposed to be conducted using the information in the system shall first be reviewed and approved by the appropriate committee constituted for the protection of human subjects which is approved by the federal Department of Health and Human Services pursuant to Part 46 of Title 45 of the Code of Federal Regulations.

(d) Nothing in this section shall prohibit the publishing by the state department of statistical compilations relating to birth defects, stillbirth, or miscarriage which do not in any way identify individual cases or individual sources of information.

(e) Any person who, in violation of a written agreement to maintain confidentiality, discloses any information provided pursuant to this section, or who uses information provided pursuant to this section in a manner other than that approved by the committee for the protection of human subjects pursuant to subdivision (c), may be denied further access to any confidential information maintained by the state department. That person shall also be subject to a civil penalty of five hundred dollars ($500). The

penalty provided in this section shall not be construed as restricting any remedy, provisional or otherwise, provided by law for the benefit of the state department or any person.

SEC. 5. Section 10806 of the Health and Safety Code is amended to read:

10806. The state department may enter into an agreement for the establishment and implementation of the birth defects monitoring program. The agreement shall include provisions requiring full compliance with all the requirements of this division.

SEC. 6. Section 14083 of the Welfare and Institutions Code is amended to read:

14083. The factors to be considered by the negotiator in negotiating contracts under this article, or in drawing specifications for competitive bidding, include, but are not limited to, all of the following:

(a) Beneficiary access.

(b) Utilization controls.

(c) Ability to render quality services efficiently and economically.

(d) Demonstrated ability to provide or arrange needed specialized services.

(e) Protection against fraud and abuse.

(f) Any other factor which would reduce costs, promote access, or enhance the quality of care.

(g) The capacity to provide a given tertiary service, such as specialized children's services, on a regional basis.

(h) Recognition of the variations in severity of illness and complexity of care.

(i) Existing labor-management collective bargaining agreements.

(j) The situation of county hospitals and university medical centers contracting with counties for provision of health care to indigent persons entitled to care under Section 17000, which are burdened to a greater extent than private hospitals with bad debts, indirect costs, medical education programs, and capital needs.

(k) The special circumstances of hospitals serving a disproportionate number of Medi-Cal beneficiaries and patients who are not covered by other third-party payers.

(*l*) The costs of providing complex emergency services, including the costs of meeting and maintaining state and local requirements for trauma center designation.

(m) The hospital does any of the following:

(1) Provides additional obstetrical beds.

(2) Contracts with one or more comprehensive perinatal providers.

(3) Permits certified nurse midwives, subject to hospital rules, and consistent with existing laws and regulations, to admit patients to the health facility.

(4) Expands overall obstetrical services in the hospital.

SEC. 7. (a) The Legislature finds and declares that approximately 6,000 babies were delivered in 1987 to women

enrolled in prepaid health plans.

(b) The Legislature recognizes that the State Department of Health Services is conducting a study to determine whether the short periods of enrollment of Medi-Cal recipients in prepaid health plans during times of high cost, the lack of access to fee-for-service perinatal care for these recipients, and the frequency of high-risk births in this patient population are being adequately considered by the department when setting per capita rates for perinatal services in prepaid health plans and whether the per capita rates are sufficient for prepaid health plans to provide these perinatal services.

(c) The State Department of Health Services shall notify the Legislature when the study is completed and shall provide copies of the results of the study to the members of the Legislature and their staff upon request.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the birth defects monitoring program may be expanded as soon as possible to provide valuable information concerning birth defects, stillbirths, and miscarriages, it is necessary for this act to take effect immediately.

CHAPTER 9

An act to amend Sections 17076 and 17151 of, and to add Sections 17072.5, 17134, 17153, 17154, 17157, 17158, 17160, 17241, 17261, 17271, 17273, 17289, and 18044 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor April 14, 1989. Filed with Secretary of State April 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17072.5 is added to the Revenue and Taxation Code, to read:

17072.5. (a) The amendments made to Section 62 of the Internal Revenue Code by Section 1001 of Public Law 100-647, relating to reimbursed expenses of employees, shall apply to taxable years beginning on or after January 1, 1987, and before January 1, 1989.

(b) The amendments made to Section 62 of the Internal Revenue Code by Section 6007 of Public Law 100-647, relating to jury duty pay remitted to an employer, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 2. Section 17076 of the Revenue and Taxation Code is amended to read:

17076. (a) The deductions allowed by Section 17201 shall be

limited in accordance with the provisions of Section 67 of the Internal Revenue Code, relating to the 2-percent floor on miscellaneous itemized deductions.

(b) For taxable years beginning on or after January 1, 1987, the provisions of Section 10104 of Public Law 100-203, relating to treatment of regulated investment companies under 2-percent floor, shall be applicable.

(c) The amendments made to Section 67 of the Internal Revenue Code by Section 1001 (f) of Public Law 100-647, relating to 2-percent floor on miscellaneous itemized deductions, shall apply to taxable years beginning on or after January 1, 1987.

(d) The amendments made to Section 67 of the Internal Revenue Code by Section 4011 (a) of Public Law 100-647, relating to 2-percent floor on miscellaneous itemized deductions, shall apply to taxable years beginning on or after January 1, 1988, except that:

(1) Section 67 (c) (4) of the Internal Revenue Code, relating to termination, shall not apply, and

(2) Section 67 (c) (2) of the Internal Revenue Code, relating to treatment of publicly offered regulated investment companies, shall not apply to any taxable year beginning on or after January 1, 1989.

SEC. 3. Section 17134 is added to the Revenue and Taxation Code, to read:

17134. (a) The amendments made to Section 132 of the Internal Revenue Code by Section 1011B of Public Law 100-647, relating to exclusions that apply to officers, etc., only if there is no discrimination, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

(b) The amendments made to Section 132 of the Internal Revenue Code by Section 6066 of Public Law 100-647, relating to air cargo, shall apply to transportation furnished after December 31, 1987, in taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 4. Section 17151 of the Revenue and Taxation Code is amended to read:

17151. (a) The amendments made to Section 127 of the Internal Revenue Code by Public Law 98-611, relating to educational assistance programs, shall apply to taxable years beginning on or after January 1, 1984.

(b) (1) The amendments made to Section 127 of the Internal Revenue Code by Section 1011B of Public Law 100-647, relating to educational assistance programs, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

(2) The amendments made to Section 127 of the Internal Revenue Code by Section 4001 of Public Law 100-647, relating to educational assistance programs, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 5. Section 17153 is added to the Revenue and Taxation Code, to read:

17153. The amendments made to Section 121 of the Internal

Revenue Code by Section 6011 of Public Law 100-647, relating to determination of use during periods of out-of-residence care, shall apply to any sale or exchange after September 30, 1988, in taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 6. Section 17154 is added to the Revenue and Taxation Code, to read:

17154. (a) The amendments made to Section 117 of the Internal Revenue Code by Section 1011B of Public Law 100-647, relating to qualified scholarships, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

(b) The amendments made to Section 117 of the Internal Revenue Code by Section 4001 of Public Law 100-647, relating to qualified scholarships, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 7. Section 17157 is added to the Revenue and Taxation Code, to read:

17157. (a) The amendments made to Section 120 of the Internal Revenue Code by Section 1011B of Public Law 100-647, relating to amounts received under qualified group legal services plans, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

(b) The amendments made to Section 120 of the Internal Revenue Code by Section 4002 of Public Law 100-647, relating to amounts received under qualified group legal services plans, shall apply to taxable years ending in 1988.

SEC. 8. Section 17158 is added to the Revenue and Taxation Code, to read:

17158. (a) The amendments made to Section 125 of the Internal Revenue Code by Sections 1011B, 1018(t)(6), and 6051(b) of Public Law 100-647, relating to cafeteria plans, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

(b) The amendments made to Section 125 of the Internal Revenue Code by Section 4002 of Public Law 100-647, relating to cafeteria plans, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 9. Section 17160 is added to the Revenue and Taxation Code, to read:

17160. The provisions of Section 6005 of Public Law 100-647, relating to interim treatment of certain amounts awarded to Christa McAuliffe Fellows, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 11. Section 17241 is added to the Revenue and Taxation Code, to read:

17241. (a) The amendments made to Section 170 of the Internal Revenue Code by Section 10711 of Public Law 100-203, relating to the definition of a charitable contribution, shall apply to taxable years beginning on or after January 1, 1987, and before January 1, 1989.

(b) The amendments made to Section 170 of the Internal

Revenue Code by Section 6001 of Public Law 100-647, relating to treatment of certain amounts paid to or for the benefit of institutions of higher education, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 12. Section 17261 is added to the Revenue and Taxation Code, to read:

17261. (a) The amendments made to Section 263A of the Internal Revenue Code by Section 1008 of Public Law 100-647, relating to capitalization and inclusion in inventory costs of certain expenses, shall apply to taxable years beginning on or after January 1, 1987, and before January 1, 1989.

(b) (1) Except as provided in paragraph (2), the amendments made to Section 263A of the Internal Revenue Code by Section 6026 of Public Law 100-647, relating to capitalization and inclusion in inventory costs of certain expenses, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

(2) The amendments made to Section 263A of the Internal Revenue Code by Section 6026(b) of Public Law 100-647, relating to treatment of animals produced in farming businesses, shall not apply.

SEC. 13. Section 17271 is added to the Revenue and Taxation Code, to read:

17271. (a) The amendments made to Section 274 of the Internal Revenue Code by Section 1001 of Public Law 100-647, relating to disallowance of certain entertainment, etc., expenses, shall apply to taxable years beginning on or after January 1, 1987, and before January 1, 1989.

(b) The amendments made to Section 274 of the Internal Revenue Code by Section 6003 of Public Law 100-647, relating to only 80 percent of meal and entertainment expenses allowed as a deduction, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989, except that clauses (i) and (ii) of Section 274(n) (2) (F) of the Internal Revenue Code shall not apply.

SEC. 14. Section 17273 is added to the Revenue and Taxation Code, to read:

17273. The amendments made to Sections 220 and 221 of the Internal Revenue Code by Section 6007 of Public Law 100-647, relating to jury duty pay remitted to employer, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 15. Section 17289 is added to the Revenue and Taxation Code, to read:

17289. The provisions of Section 6008 of Public Law 100-647, relating to business use of automobiles by rural mail carriers, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 16. Section 18044 is added to the Revenue and Taxation Code, to read:

18044. The amendments made to Section 1034 of the Internal Revenue Code by Section 6002 of Public Law 100-647, relating to

rollover of gain on the sale of a principal residence, shall apply to taxable years beginning on or after January 1, 1988, and before January 1, 1989.

SEC. 17. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect. However, unless otherwise specifically provided, the provisions of this act shall be applied in the computation of taxes for taxable years beginning on or after January 1, 1988.

CHAPTER 10

An act to amend Section 20607 of, and to add Sections 20450.1 and 20938.1 to, and to add and repeal Section 21252.023 of, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor April 14, 1989 Filed with Secretary of State April 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 20450.1 is added to the Government Code, to read:

20450.1. The board may refuse to contract with, or to agree to an amendment proposed by, any public agency for any benefit provisions which the board determines might adversely affect the administration of the system.

SEC. 2. Section 20607 of the Government Code is amended to read:

20607. (a) The normal rate of contribution for state peace officer/firefighter members and for local safety members subject to Section 21252.02 shall be 8 percent of the compensation in excess of two hundred thirty-eight dollars ($238) per month paid those members.

(b) This subdivision shall apply only to a city with a population in excess of 300,000 in a county of the eighth class, as defined by Sections 28020 and 28029, as amended by Chapter 1204 of the Statutes of 1971, which, prior to June 30, 1991, amends its contract to provide for the transfer of all or part of the members of an existing local retirement system to this system. Subdivision (a) shall not apply to a contracting agency which so elects by amendment to its contract made in the manner prescribed for approval of contracts by express provision in the contract. If the election is so made, the normal rate of contribution for local safety members of that contracting agency subject to Section 21252.02 shall, notwithstanding Section 20605.55, be 9 percent of compensation paid those members.

(c) Notwithstanding any other provision of this part, state member contributions on premium compensation for planned

overtime paid at the "half-time" rate as part of the regular shift under the federal Fair Labor Standards Act (29 U.S.C.A. Secs. 201 et seq.) or the Memorandum of Understanding of State Bargaining Unit 8 are waived for the period April 15, 1985, through June 30, 1988.

This subdivision applies to State Bargaining Unit 8 and becomes effective only if the board approves a waiver of employer contributions on the same premium compensation for the same period of time. If this subdivision is approved by the board, benefits shall be calculated to include overtime paid at the one-half time rate.

SEC. 3. Section 20938.1 is added to the Government Code, to read:

20938.1. This section shall apply only to a city with a population in excess of 300,000 in a county of the eighth class, as defined by Sections 28020 and 28029, as amended by Chapter 1204 of the Statutes of 1971, which, prior to June 30, 1991, amends its contract to provide for the transfer of all or part of the members of an existing local retirement system to this system. Only those transferred members who had less than 11 years of service credit on the date of transfer shall be entitled under Section 20938 to cancel prospectively an election to receive credit for service.

SEC. 4. Section 21252.023 is added to the Government Code, to read:

21252.023. Notwithstanding any other provision of law, a city with a population in excess of 300,000 in a county of the eighth class, as defined by Sections 28020 and 28029, as amended by Chapter 1204 of the Statutes of 1971, may simultaneously:

(a) Provide benefits pursuant to Section 21230 to members retiring after the effective date of the contract amendment who are transferred from the local system to this system on that date.

(b) Provide the benefit formula specified in Section 21252.02 for local safety members who become local safety members after the effective date of the contract amendment.

This section shall remain in effect only until June 30, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before June 30, 1991, deletes or extends that date.

SEC. 5. The Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution due to the unique circumstances concerning the retirement programs of the City of Sacramento.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 11

An act to amend Section 8225 of the Financial Code, relating to savings associations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 14, 1989. Filed with Secretary of State April 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8225 of the Financial Code is amended to read:

8225. (a) Whenever the commissioner deems it necessary in order to conserve the assets of any association for the benefit of the depositors and other creditors, or if the commissioner finds any of the following with respect to any association: (1) the association is in an impaired condition; (2) the association is engaging in practices that threaten to result in an impaired condition; (3) the association has substantially dissipated its assets due to violation of law or regulation or to unsafe or unsound practice; (4) the association is in an unsafe or unsound condition to transact business; (5) the association is in violation of an order or injunction, as authorized by this division; or (6) the association refuses to submit its books, papers, and affairs to the inspection of the commissioner, the commissioner may, ex parte and without notice, appoint a conservator for the association.

(b) The conservator may be the commissioner, deputy commissioner or any other person.

(c) The conservator shall, upon appointment, immediately take possession of the books, records, and assets of every description of the association and shall take any further action as he or she may deem necessary to conserve the assets of the association pending further disposition of its business.

(d) Within six months of the date of appointment of the conservator, or within 12 months if the commissioner extends the six months' period, the association shall be returned to its board of directors to be managed and operated as if no conservator had been appointed, or a receiver shall be appointed as provided in Section 8250.

(e) If the commissioner or a department employee is appointed conservator no additional compensation shall be paid, but if another person is appointed then the compensation of the conservator, as determined by the commissioner, shall be paid by the association.

(f) Any expenses of such conservatorship shall be paid out of the assets of the association and shall be a lien against association assets prior to any other lien.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

In order to more closely conform to regulations applicable to federal associations, at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 12

An act to amend Sections 712.020, 715.010, and 1174.3 of the Code of Civil Procedure, relating to real property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 1989 Filed with Secretary of State April 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 712.020 of the Code of Civil Procedure is amended to read:

712.020. A writ of possession or sale issued pursuant to this division shall require the levying officer to whom it is directed to enforce the judgment and shall include the following information:

(a) The date of issuance of the writ.

(b) The title of the court where the judgment for possession or sale is entered and the cause and number of the action.

(c) The name and address of the creditor and the name and last known address of the judgment debtor.

(d) The date the judgment was entered, and the date of any subsequent renewals, and where entered in the records of the court.

(e) If the judgment for possession or sale includes a money judgment, the amount required to satisfy the money judgment on the date the writ is issued and the amount of interest accruing daily on the principal amount of the judgment from the date the writ is issued.

(f) Whether any person has requested notice of sale under the judgment and, if so, the name and address of such person.

(g) Any other information required to be included in the particular writ.

SEC. 2. Section 715.010 of the Code of Civil Procedure is amended to read:

715.010. (a) A judgment for possession of real property may be enforced by a writ of possession of real property issued pursuant to Section 712.010.

(b) In addition to the information required by Section 712.020, the writ of possession of real property shall contain the following:

(1) A description of the real property, possession of which is to be delivered to the judgment creditor in satisfaction of the judgment.

(2) A statement that if the real property is not vacated within five days from the date of service of a copy of the writ on the occupant

or, if the copy of the writ is posted, within five days from the date a copy of the writ is served on the judgment debtor, the levying officer will remove the occupants from the real property and place the judgment creditor in possession.

(3) A statement that any personal property remaining on the real property after the judgment creditor has been placed in possession will be sold or otherwise disposed of in accordance with Section 1174 of the Code of Civil Procedure unless the judgment debtor or other owner pays the judgment creditor the reasonable cost of storage and takes possession of the personal property not later than 15 days after the time the judgment creditor takes possession of the real property.

(4) The date the complaint was filed in the action which resulted in the judgment of possession.

(5) The date or dates on which the court will hear objections to enforcement of a judgment of possession that are filed pursuant to Section 1174.3.

(6) The daily rental value of the property as of the date the complaint for unlawful detainer was filed.

(c) At the time the writ of possession is served or posted, the levying officer shall also serve or post a copy of the form for a claim of right to possession.

SEC. 3. Section 1174.3 of the Code of Civil Procedure is amended to read:

1174.3. (a) Any occupant not named in the judgment for possession who occupied the premises on the date of the filing of the action may object to enforcement of the judgment against that occupant by filing a claim of right to possession as prescribed in this section. A claim of right to possession may be filed at any time after service or posting of the writ of possession pursuant to subdivision (a) or (b) of Section 715.020, up to and including the time at which the levying officer returns to effect the eviction of those named in the judgment of possession. Filing the claim of right to possession shall constitute a general appearance for which a fee shall be collected as provided in Section 72056 of the Government Code. Section 68511.3 of the Government Code applies to the claim of right to possession.

(b) The court issuing the writ of possession of real property shall set a date or dates when the court will hold a hearing to determine the validity of objections to enforcement of the judgment specified in subdivision (a). An occupant of the real property for which the writ is issued may make an objection to eviction to the levying officer at the office of the levying officer or at the premises at the time of the eviction.

If a claim of right to possession is completed and presented to the sheriff, marshal, or other levying officer, the officer shall forthwith (1) stop the eviction of occupants at the premises, and (2) provide a receipt or copy of the completed claim of right of possession to the claimant indicating the date and time the completed form was received, and (3) deliver the original completed claim of right to possession to the court issuing the writ of possession of real property.

(c) A claim of right to possession is effected by any of the following:

(1) Presenting to the sheriff, marshal, or other levying officer a completed form, as prescribed in this section, and delivering to the court within two court days after its presentation, an amount equal to 15 days' rent together with the appropriate fee or form for proceeding in forma pauperis. Upon receipt of a claim of right to possession, the sheriff, marshal, or other levying officer shall indicate thereon the date and time of its receipt and forthwith deliver the original to the issuing court and a receipt or copy of the claim to the claimant and notify the plaintiff of that fact. Immediately upon receipt of an amount equal to 15 days' rent and the appropriate fee or form for proceeding in forma pauperis, the court shall file the claim of right to possession and serve an endorsed copy with the notice of the hearing date on the plaintiff and the claimant by first-class mail. The court issuing the writ of possession shall set and hold a hearing on the claim not less than five nor more than 15 days after the claim is filed with the court.

(2) Presenting to the sheriff, marshal, or other levying officer a completed form, as prescribed in this section, and delivering to the court within two court days after its presentation, the appropriate fee or form for proceeding in forma pauperis without delivering the amount equivalent to 15 days' rent. In this case, the court shall immediately set a hearing on the claim to be held on the fifth day after the filing is completed. The court shall notify the claimant of the hearing date at the time the claimant completes the filing by delivering to the court the appropriate fee or form for proceeding in forma pauperis, and shall notify the plaintiff of the hearing date by first-class mail. Upon receipt of a claim of right to possession, the sheriff, marshal, or other levying officer shall indicate thereon the date and time of its receipt and forthwith deliver the original to the issuing court and a receipt or copy of the claim to the claimant and notify the plaintiff of that fact.

(d) At the hearing, the court shall determine whether there is a valid claim of possession by the claimant who filed the claim, and the court shall consider all evidence produced at the hearing, including, but not limited to, the information set forth in the claim. The court may determine the claim to be valid or invalid based upon the evidence presented at the hearing. The court shall determine the claim to be invalid if the court determines that the claimant is an invitee, licensee, guest, or trespasser. If the court determines the claim is invalid, the court shall order the return to the claimant of the amount of the 15 days' rent paid by the claimant, if that amount was paid pursuant to paragraphs (1) or (3) of subdivision (c), less a pro rata amount for each day that enforcement of the judgment was delayed by reason of making the claim of right to possession, which pro rata amount shall be paid to the landlord. If the court determines the claim is valid, the amount equal to 15 days' rent paid by the claimant shall be returned immediately to the claimant.

(e) If, upon hearing, the court determines that the claim is valid, then the court shall order further proceedings as follows:

(1) If the unlawful detainer is based upon a curable breach, and the claimant was not previously served with a proper notice, if any notice is required, then the required notice may at the plaintiff's discretion be served on the claimant at the hearing or thereafter. If the claimant does not cure the breach within the required time, then a supplemental complaint may be filed and served on the claimant as defendant if the plaintiff proceeds against the claimant in the same action. For the purposes of this section only, service of the required notice, if any notice is required, and of the supplemental complaint may be made by first-class mail addressed to the claimant at the subject premises or upon his or her attorney of record and, in either case, Section 1013 shall otherwise apply. Further proceedings on the merits of the claimant's continued right to possession after service of the Summons and Supplemental Complaint as prescribed by this subdivision shall be conducted pursuant to this chapter.

(2) In all other cases, the court shall deem the unlawful detainer Summons and Complaint to be amended on their faces to include the claimant as defendant, service of the Summons and Complaint, as thus amended, may at the plaintiff's discretion be made at the hearing or thereafter, and the claimant thus named and served as a defendant in the action shall answer or otherwise respond within five days thereafter.

(f) If a claim is made without delivery to the court of the appropriate filing fee or a form for proceeding in forma pauperis, as prescribed in this section, the claim shall be immediately deemed denied and the court shall so order. Upon the denial of the claim, the court shall immediately deliver an endorsed copy of the order to the levying officer and shall serve an endorsed copy of the order on the plaintiff and claimant by first-class mail.

(g) If the claim of right to possession is denied pursuant to subdivision (f), or if the claimant fails to appear at the hearing or, upon hearing, if the court determines that there are no valid claims, or if the claimant does not prevail at a trial on the merits of the unlawful detainer action, the court shall order the levying officer to proceed with enforcement of the original writ of possession of real property as deemed amended to include the claimant, which shall be effected within a reasonable time not to exceed five days. Upon receipt of the court's order, the levying officer may enforce the writ of possession of real property against any occupant or occupants.

(h) The claim of right to possession shall be made on the following form:

CLAIMANT OR CLAIMANT'S ATTORNEY (Name and Address)	TELEPHONE NO:	FOR COURT USE ONLY
ATTORNEY FOR (Name)		
NAME OF COURT STREET ADDRESS MAILING ADDRESS CITY AND ZIP CODE BRANCH NAME		
PLAINTIFF DEFENDANT		
CLAIM OF RIGHT TO POSSESSION AND NOTICE OF HEARING		
		CASE NUMBER

(For levying officer use only)
Completed form was received on
Date: _____ Time: _____
By: _____

Complete this form only if ALL of these statements are true:
1. You are NOT named in the accompanying form called Writ of Possession.
2 You occupied the premises on or before the date the unlawful detainer (eviction) action was filed. (The date is in the accompanying Writ of Possession.)
3. You still occupy the premises.

I DECLARE THE FOLLOWING UNDER PENALTY OF PERJURY:

1. My name is (specify):
2. I reside at (street address, unit no., city and ZIP code).
3. The address of "the premises" subject to this claim is (address):
4. On (insert date): [ ], the landlord or the landlord's authorized agent filed a complaint to recover possession of the premises (This date is in the accompanying Writ of Possession.)
5 I occupied the premises on the date the complaint was filed (the date in item 4). I have continued to occupy the premises ever since.
6 I was at least 18 years of age on the date the complaint was filed (the date in item 4).
7. I claim a right to possession of the premises because I occupied the premises on the date the complaint was filed (the date in item 4).

8. I was not named in the Writ of Possession.
9. I understand that if I make this claim of possession, a court hearing will be held to decide whether my claim will be granted.
10. (Filing fee) To obtain a court hearing on my claim, I understand that after I present this form to the levying officer I must go to the court and pay a filing fee of $ or file with the court "Application for Waiver of Court Fees and Costs." I understand that if I don't pay the filing fee or file the form for waiver of court fees within 2 court days, the court will immediately deny my claim.
11. (Immediate court hearing unless you deposit 15 days' rent) To obtain a court hearing on my claim, I understand I must also present a copy of this completed complaint form or a receipt from the levying officer I also understand the date of my hearing will be set immediately if I do not deliver to the court an amount equal to 15 days' rent.

I am filing my claim in the following manner (check the box that shows how you are filing your claim. Note that you must deliver to the court a copy of the claim form or a levying officer's receipt):

a. ☐ I presented this claim form to the sheriff, marshal, or other levying officer, and within two court days I shall deliver to the court the following: (1) a copy of this completed claim form or a receipt, (2) the court filing fee or form for proceeding in forma pauperis, and (3) an amount equal to 15 days' rent; or

b. ☐ I presented this claim form to the sheriff, marshal, or other levying officer, and within two court days I shall deliver to the court (1) a copy of this completed claim form or a receipt, and (2) the court filing fee or form for proceeding in forma pauperis.

IMPORTANT: Do not take a copy of this claim form to the court unless you have first given the form to the sheriff, marshal, or other levying officer

(To be completed by the court.)			
Date of Hearing:	Time:	Dept. or Div.:	Room:
Address of court:			

NOTICE If you fail to appear at this hearing you will be evicted without further hearing.

CLAIM OF RIGHT TO POSSESSION
AND NOTICE OF HEARING

12. Rental agreement. I have (check all that apply to you):

a. ☐ an oral rental agreement with the landlord.
b. ☐ a written rental agreement with the landlord.
c. ☐ an oral rental agreement with a person other than the landlord.
d. ☐ a written rental agreement with a person other than the landlord.
e. ☐ other (explain):

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

WARNING: Perjury is a felony punishable by imprisonment in the state prison.

Date.

▶ _____

(TYPE OR PRINT NAME) (SIGNATURE OF CLAIMANT)

NOTICE If your claim to possession is found to be valid, the unlawful detainer action against you will be determined at trial. At trial, you may be found liable for rent, costs, and, in some cases, treble damages.

CLAIM OF RIGHT TO POSSESSION
AND NOTICE OF HEARING

NOTICE TO OCCUPANTS

YOU MUST ACT AT ONCE IF ALL THE FOLLOWING ARE TRUE:

(1) You are not named in the accompanying form called Writ of Possession;

(2) You occupied the premises on or before the date the unlawful detainer (eviction) action was filed, and

(3) You still occupy the premises.

You can complete and SUBMIT THIS CLAIM FORM

(1) before the date of eviction at the sheriff's or marshal's office located at: (address)

(2) OR at the premises at the time of the eviction (Give this form to the officer who comes to evict you.)

If you do not complete and submit this form (and pay a filing fee or file the form for proceeding in forma pauperis if you cannot pay the fee), YOU WILL BE EVICTED along with the parties named in the writ.

After this form is properly filed, A HEARING WILL BE HELD to decide your claim. If you do not appear at the hearing, you will be evicted without a further hearing.

CLAIM OF RIGHT TO POSSESSION
AND NOTICE OF HEARING

SEC. 4. This act shall become operative on May 1, 1989.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the levying officer receives notice of the presentation of a claim of right to possession prior to an eviction, it is necessary that this act take effect immediately.

CHAPTER 13

An act to amend Section 32657 of the Streets and Highways Code, relating to parking authorities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 4, 1989 Filed with Secretary of State May 4, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 32657 of the Streets and Highways Code is amended to read:

32657. (a) Three of the members first appointed shall be designated by the mayor, with the approval of the legislative body, to serve for terms of one, two, and three years, respectively, from a date specified by the mayor in their appointments, and two shall be designated to serve for terms of four years from that date. Thereafter, members shall be appointed for a term of four years. All vacancies occurring during a term shall be filled for the unexpired term. A member shall hold office until his or her successor has been appointed and has qualified.

(b) Notwithstanding subdivision (a), in any charter city having a parking and traffic commission created by the city's charter, the mayor, with the approval of the legislative body, may require the members of that commission to serve ex officio as members of the parking authority and to exercise all the powers and duties thereof. Upon the appointment of persons as commissioners of the city's parking and traffic commission, those commissioners shall replace the members of a parking authority appointed pursuant to subdivision (a) and shall succeed to the powers and duties of those members as provided in this chapter.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit a charter city to implement the changes in organization of its parking authority authorized by this act as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 14

An act to amend Section 13601 of the Welfare and Institutions Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1989 Filed with Secretary of State May 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 13601 of the Welfare and Institutions Code is amended to read:

13601. There is hereby created in the State Treasury the California Individual and Family Supplemental Grant Fund. Moneys in the fund shall be available to pay claims from individuals and families for losses or damages occurring during the incident period of a federal disaster declaration for individual assistance. Any moneys appropriated to the fund by the Legislature shall be allocated to the State Department of Social Services to provide supplemental individual and family grant assistance. The funds shall not be used to fulfill matching fund requirements for federal disaster assistance, but shall be used to supplement the federal individual and family grant program. Notwithstanding Section 13340 of the Government Code, moneys in this fund are continuously appropriated, without regard to fiscal years, for the purpose of making grants pursuant to this chapter.

SEC. 2. Notwithstanding Section 12 of Chapter 1507 of the Statutes of 1988, the Director of Finance may transfer funds from the Natural Disaster Assistance Fund to the California Individual and Family Supplemental Grant Fund to provide for the payment of claims resulting from the California Wildfires of 1988.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that all persons who have incurred loss or damage as a result of the California Wildfires of 1988, who have applied for federal individual and family grant assistance, and who have remaining unmet eligible need will receive full and appropriate consideration of that need on a timely basis, it is necessary that this act go into immediate effect.

CHAPTER 15

An act to amend Sections 117.14 and 631 of the Code of Civil Procedure, relating to civil actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 1989 Filed with Secretary of State May 10, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 117.14 of the Code of Civil Procedure is amended to read:

117.14. (a) A fee of six dollars ($6) shall be charged and collected for the filing of a claim under oath if the number of claims filed by the party in each court in the preceding 12 calendar months is 12 or less; and a fee of twelve dollars ($12) shall be collected for the filing of any additional claims. For each party to whom a copy of the claim is mailed by the clerk a fee to cover the actual cost of mail service adjusted upward to the nearest dollar shall be charged and collected. Fees as provided in Sections 26828 and 26834 of the Government Code shall be charged and collected by the clerk for the issuance of a writ of execution or an abstract of judgment. Except as otherwise provided for in this chapter, no other fee or charge shall be collected by any officer for any service rendered under this chapter, or for the taking of affidavits for use in connection with any action commenced under this chapter. All fees collected under this section shall be deposited with the treasurer of the city and county or county under whose jurisdiction any such court shall exist.

(b) The number of claims filed by a party during the preceding 12 calendar months shall be determined pursuant to a declaration made by the party under penalty of perjury stating the number of claims so filed and submitted to the clerk with the current claim.

SEC. 2. Section 631 of the Code of Civil Procedure is amended to read:

631. (a) Trial by jury may be waived by the several parties to an issue of fact in any of the following ways:

(1) By failing to appear at the trial.

(2) By written consent filed with the clerk or judge.

(3) By oral consent, in open court, entered in the minutes or docket.

(4) By failing to announce that a jury is required, at the time the cause is first set for trial, if it is set upon notice or stipulation, or within five days after notice of setting if it is set without notice or stipulation.

(5) By failing to deposit with the clerk, or judge, advance jury fees 25 days prior to the date set for trial, except in unlawful detainer actions where the fees shall be deposited at least five days prior to the date set for trial, or as provided by subdivision (b). The advanced jury fee shall not exceed the amount necessary to pay the average

mileage and fees of 20 trial jurors for one day in the court to which the jurors are summoned.

(6) By failing to deposit with the clerk or judge, promptly after the impanelment of the jury, a sum equal to the mileage or transportation (if any be allowed by law) of the jury accrued up to that time.

(7) By failing to deposit with the clerk or judge, at the beginning of the second and each succeeding day's session a sum equal to one day's fees of the jury, and the mileage or transportation, if any.

(b) In a superior court action if a jury is demanded by either party in the memorandum to set the cause for trial and the party, prior to trial, by announcement or by operation of law waives a trial by jury, then all adverse parties shall have five days following the receipt of notice of the waiver to file and serve a demand for a trial by jury and to deposit any advance jury fees which are then due.

(c) When the party who has demanded trial by jury either waives such trial upon or after the assignment for trial to a specific department of the court, or upon or after the commencement of the trial, or fails to deposit the fees as provided in paragraph (6) of subdivision (a), trial by jury shall be waived by the other party either failing promptly to demand trial by jury before the judge in whose department the waiver, other than for the failure to deposit such fees, was made, or by that party's failing promptly to deposit the fees provided in paragraph (6) of subdivision (a).

(d) The court may, in its discretion upon just terms, allow a trial by jury although there may have been a waiver of a trial by jury.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the effective processing and mailing of small claims to parties in interest and to avoid a loss of fees by counties, it is necessary that this act go into immediate effect.

CHAPTER 16

An act relating to the Cleveland Elementary School, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 1989. Filed with Secretary of State May 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) On January 17, 1989, a tragedy occurred at the Cleveland Elementary School in the Stockton Unified School District, in which a shooting incident resulted in the death of five pupils, and in injury

to pupils and employees of the school.

(b) It is necessary that provision be made to address the grief experienced by the pupils and employees of that school, and other aftereffects of that tragedy.

SEC. 2. The governing board of the Stockton Unified School District may close the Cleveland Elementary School to pupil attendance for not more than five days during the 1988–89 school year for the purposes described in Section 1, including, but not limited to, the following:

(a) Providing grief debriefing sessions for the benefit of teachers and other employees of the school.

(b) Training teachers and other employees of the school in providing assistance to pupils who are grieving.

(c) Planning coordinated pupil instructional activities at all grade levels that incorporate information on death and trauma, as drawn from appropriate literature.

(d) Improve the physical classroom environment through the repair of bullet holes and the exhibition of pupil work.

SEC. 3. Notwithstanding any other provision of law, both average daily attendance and total instructional time shall be calculated for the Stockton Unified School District for the 1988–89 school year, for all purposes of the Education Code, including, but not limited to, determining the entitlement of that district to state funding, as if, during the period of time described in Section 2, classes were held at the Cleveland Elementary School in the customary manner of that school and attended by the enrolled pupil population of the school.

SEC. 4. Due to the unique circumstances specified in Section 1 of this act concerning the Stockton Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to address, in a timely manner, the grief and other aftereffects of the shooting tragedy described in Section 1 of this act, it is necessary that this act take effect immediately.

CHAPTER 17

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time within which actions may be commenced, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 18, 1989. Filed with Secretary of State May 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. This act may be cited as the First Validating Act of 1989.

SEC. 2. As used in this act:

(a) "Public body" means the state and all departments, agencies, boards, commissions, and authorities of the state. "Public body" also means counties, cities and counties, cities, and all of the following districts, authorities, agencies, boards, commissions, and other entities:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

Air pollution control districts.

Air quality management districts.

Airport districts.

Assessment districts.

Bridge and highway districts.

Bridge, highway, and transportation districts.

California water district distribution districts.

California water district improvement districts.

California water districts.

Cemetery districts.

Citrus pest control districts.

City general improvement district improvement districts.

City general improvement districts.

City maintenance districts.

Community college districts.

Community development commissions.

Community facilities districts.

Community rehabilitation districts.

Community service district improvement districts.

Community service districts.

Conservancy districts.

Cotton pests abatement districts.

County boards of education.

County drainage districts.

County fire protection districts.

County flood control and water districts.

County free library systems.
County maintenance districts.
County power pumping districts.
County sanitation district improvement districts.
County sanitation districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Crossing guard maintenance districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Geologic hazard abatement districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural development districts.
Horticultural protection districts.
Housing authorities.
Industrial development authorities.
Integrated financing districts.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local agency formation commissions.
Local health districts.
Local hospital districts.
Local transportation authorities.
Metropolitan transit development boards.

Metropolitan water districts.
Mosquito abatement districts.
Mosquito abatement or vector control districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation, and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park, and parkway districts.
Redevelopment agencies.
Regional justice facility financing agencies.
Regional open-space districts.
Regional park and open-space districts.
Regional park districts.
Regional planning districts.
Regional transportation commissions.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.
Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Service zones of fire protection districts.
Sewer maintenance districts.
Special benefit assessment districts of the Southern California Rapid Transit District.

Special community services districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of community service districts.
Zones of county service areas.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.
Zones of flood control and water conservation districts.
Zones of flood control districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements in which the obligor is one or more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of such body, all instruments payable from revenues or special funds of such public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

(c) "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

SEC. 3. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of such a public body regularly formed pursuant to law.

SEC. 4. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 5. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger, or dissolution of such public bodies.

SEC. 6. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any such public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of such bonds.

All bonds of, or relating to, any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid, and binding obligations of the public body.

SEC. 7. (a) This act shall operate to supply such legislative authorization as may be necessary to authorize, confirm, and validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the state and federal Constitutions.

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which is pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(d) This act shall not operate to authorize, confirm, validate, or legalize a contract between any public body and the United States.

SEC. 8. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches shall be commenced within six months of the effective date of this act; otherwise each and all of such matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 9. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by those sections.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 18

An act to amend Sections 245, 12020.5, 12022, and 12022.5 of, and to add Chapter 2.3 (commencing with Section 12275) to Title 2 of Part 4 of, the Penal Code, relating to weapons.

[Approved by Governor May 24, 1989 Filed with Secretary of State May 24, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 245 of the Penal Code is amended to read:

245. (a) (1) Every person who commits an assault upon the person of another with a deadly weapon or instrument other than a firearm or by any means of force likely to produce great bodily injury is punishable by imprisonment in the state prison for two, three or four years, or in a county jail not exceeding one year, or by fine not exceeding ten thousand dollars ($10,000), or by both such fine and imprisonment.

(2) Every person who commits an assault upon the person of another with a firearm is punishable by imprisonment in the state prison for two, three, or four years, or in a county jail for a term of not less than six months and not exceeding one year, or by both a fine not exceeding ten thousand dollars ($10,000) and imprisonment.

(3) Every person who commits an assault upon the person of another with a machinegun, as defined in Section 12200, or an assault weapon, as defined in Section 12276, shall be punished by imprisonment in the state prison for 4, 8, or 12 years.

(b) Every person who commits an assault with a deadly weapon or instrument, other than a firearm, or by any means likely to produce great bodily injury upon the person of a peace officer or fireman, and who knows or reasonably should know that the victim is a peace officer or fireman engaged in the performance of his or her duties, when such peace officer or fireman is engaged in the performance of his or her duties shall be punished by imprisonment in the state prison for three, four, or five years.

(c) (1) Every person who commits an assault with a firearm upon the person of a peace officer or firefighter, and who knows or reasonably should know that the victim is a peace officer or firefighter engaged in the performance of his or her duties, when the peace officer or firefighter is engaged in the performance of his or her duties shall be punished by imprisonment in the state prison for four, six, or eight years.

(2) Every person who commits an assault with a machinegun, as defined in Section 12200, or an assault weapon, as defined in Section 12276, upon the person of a peace officer or firefighter, and who knows or reasonably should know that the victim is a peace officer or firefighter engaged in the performance of his or her duties, shall be punished by imprisonment in the state prison for 6, 9, or 12 years.

(d) When a person is convicted of a violation of this section, in a case involving use of a deadly weapon or instrument or firearm, and the weapon or instrument or firearm is owned by that person, the court shall order that the weapon or instrument or firearm be deemed a nuisance and it shall be confiscated and disposed of in the manner provided by Section 12028.

(e) As used in this section, "peace officer" refers to any person designated as a peace officer in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2.

SEC. 1.5. Section 12020.5 of the Penal Code is amended to read:

12020.5. It shall be unlawful for any person, firm, corporation, or association, in any newspaper, magazine, circular, form letter, or open publication, published, distributed, or circulated in this state, or on any billboard, card, label, or other advertising medium, or by means of any other advertising device, to advertise the sale of any weapon or device whose possession is prohibited by Section 12020 or 12280.

SEC. 2. Section 12022 of the Penal Code is amended to read:

12022. (a) (1) Except as provided in subdivisions (b) and (c), any person who is armed with a firearm in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one year, unless such arming is an element of the offense of which he or she was convicted. This additional term shall apply to any person who is a principal in the commission or attempted commission of a felony if one or more of the principals is armed with a firearm, whether or not such person is personally armed with a firearm.

(2) Except as provided in subdivision (b), and notwithstanding subdivision (c), if the firearm is an assault weapon, as defined in Section 12276, the additional term described in this subdivision shall be three years whether or not the arming is an element of the offense of which he or she was convicted. The additional term provided in this paragraph shall apply to any person who is a principal in the commission or attempted commission of a felony if one or more of the principals is armed with an assault weapon whether or not the person is personally armed with an assault weapon.

(b) Notwithstanding the enhancement set forth in subdivision (a), any person who is personally armed with a firearm in the commission or attempted commission of a violation of Section 11351, 11351.5, 11352, 11366.5, 11366.6, 11378, 11378.5, 11379, 11379.5, or 11379.6 of the Health and Safety Code, shall, upon conviction of that offense and in addition and consecutive to the punishment prescribed for the offense of which he or she has been convicted, be punished by an additional term of imprisonment in the state prison for three, four, or five years in the court's discretion. The court shall order the middle term unless there are circumstances in aggravation

or mitigation. The court shall state the reasons for its enhancement choice on the record at the time of the sentence.

(c) Notwithstanding the enhancement set forth in subdivision (a), any person not personally armed with a firearm who, knowing that another principal is personally armed with a firearm, is a principal in the commission or attempted commission of an offense specified in subdivision (b), shall, upon conviction of that offense, be punished by an additional term of one, two, or three years in the court's discretion. The court shall order the imposition of the middle term unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its enhancement choice on the record at the time of sentencing.

(d) Any person who personally uses a deadly or dangerous weapon in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one year, unless use of a deadly or dangerous weapon is an element of the offense of which he or she was convicted.

When a person is found to have personally used a deadly or dangerous weapon in the commission or attempted commission of a felony as provided in this subdivision and the weapon is owned by that person, the court shall order that the weapon be deemed a nuisance and disposed of in the manner provided in Section 12028.

(e) For purposes of imposing an enhancement under Section 1170.1, *the enhancements under this section shall count as one, single* enhancement.

(f) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in subdivision (b) or (c) in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

SEC. 3. Section 12022.5 of the Penal Code is amended to read:

12022.5. (a) Except as provided in subdivisions (b) and (c), any person who personally uses a firearm in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of imprisonment in the state prison for two years, unless use of a firearm is an element of the offense of which he or she was convicted.

(b) Notwithstanding subdivision (a), any person who is convicted of a felony or an attempt to commit a felony, including murder or attempted murder, in which that person discharged a firearm at an occupied motor vehicle which caused great bodily injury or death to the person of another, or any person who personally uses an assault weapon, as specified in Chapter 2.3 (commencing with Section

12275), in the commission or attempted commission of a felony, shall, upon conviction of that felony or attempted felony, in addition and consecutive to the sentence prescribed for the felony or attempted felony, be punished by an additional term of imprisonment in the state prison for five years.

(c) Notwithstanding the enhancement set forth in subdivision (a), any person who personally uses a firearm in the commission or attempted commission of a violation of Section 11351, 11351.5, 11352, 11366.5, 11366.6, 11378, 11378.5, 11379, 11379.5, or 11379.6 of the Health and Safety Code, shall, upon conviction of that offense and in addition and consecutive to the punishment prescribed for the offense of which he or she has been convicted, be punished by an additional term of imprisonment in the state prison for three, four, or five years in the court's discretion. The court shall order the imposition of the middle term unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its enhancement choice on the record.

(d) The additional term provided by this section may be imposed in cases of assault with a firearm under paragraph (2) of subdivision (a) of Section 245, or assault with a deadly weapon which is a firearm under Section 245.

(e) When a person is found to have personally used a firearm or an assault weapon in the commission or attempted commission of a felony as provided in this section and the firearm or assault weapon is owned by that person, the court shall order that the firearm be deemed a nuisance and disposed of in the manner provided in Section 12028.

(f) For purposes of imposing an enhancement under Section 1170.1, the enhancements under this section shall count as one, single enhancement.

(g) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancement provided in subdivision (c) in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

SEC. 4. Chapter 2.3 (commencing with Section 12275) is added to Title 2 of Part 4 of the Penal Code, to read:

CHAPTER 2.3. ROBERTI-ROOS ASSAULT WEAPONS CONTROL ACT OF 1989

Article 1. General Provisions

12275. This chapter shall be known as the Roberti-Roos Assault Weapons Control Act of 1989.

12275.5. The Legislature hereby finds and declares that the proliferation and use of assault weapons poses a threat to the health, safety, and security of all citizens of this state. As used in this chapter,

"assault weapon" generally means a firearm of such a nature and with such a high rate of fire and capacity for firepower that its function as a legitimate sports or recreational firearm is substantially outweighed by the danger that it can be used to kill and injure human beings. It is, therefore, the intent of the Legislature in enacting this act to place restrictions on the use of these assault weapons and to establish a registration and permit procedure for their lawful sale and possession. It is not, however, the intent of the Legislature to place restrictions on the use of those weapons which are primarily designed and intended for hunting, target practice, or other legitimate sports or recreational activities.

12276. As used in this chapter, "assault weapon" includes any of the following firearms known by trade names:

(a) All of the following specified rifles:

(1) Norinco, Mitchell and Poly Technologies Avtomat Kalashnikovs (all models).

(2) Action Arms Israeli Military Industries UZI and Galil.

(3) Beretta AR-70 (SC-70).

(4) CETME G3.

(5) Colt AR-15 and CAR-15.

(6) Daewoo K-1, K-2, Max 1, and Max 2.

(7) Fabrique Nationale FN/FAL, FN/LAR, and FNC.

(8) FAMAS MAS223.

(9) Heckler & Koch HK-91, H-93, HK-94, and PSG-1.

(10) MAC 10 and MAC 11.

(11) SKS with detachable magazine.

(12) SIG AMT, SIG 500 Series, and SIG PE-57.

(13) Springfield Armory BM59 and SAR-48.

(14) Sterling MK-6 and SAR.

(15) Steyr AUG.

(16) Valmet M62, M71S, and M78.

(17) Armalite AR-180 Carbine.

(18) Bushmaster Assault Rifle (armgun).

(19) Calico M-900 Assault Carbine.

(20) Mandall THE TAC-1 Carbine.

(21) Plainfield Machine Company Carbine.

(22) PJK M-68 Carbine.

(23) Weaver Arm Nighthawk.

(b) All of the following specified pistols:

(1) Action Arms UZI.

(2) Encom MP-9 and MP-45.

(3) MAC 10 and MAC 11.

(4) INTRATEC TEC-9.

(5) Mitchell Arms Spectre Auto.

(6) Sterling MK-7.

(7) Calico M-900.

(c) All of the following specified shotguns:

(1) Franchi SPAS 12 and LAW 12.

(2) Gilbert Equipment Company Striker 12.

(3) Encom CM-55.

(d) Other models by the same manufacturer that are identical to firearms listed in subdivision (a), (b), or (c), except for slight modifications or enhancements, including, but not limited to, a folding or retractable stock; adjustable sight; case deflector for left-handed shooters; shorter barrel; wooden, plastic, or metal stock; larger clip size; different caliber, provided the caliber exceeds .22 rimfire; or bayonet mount.

(e) Firearms which have been redesigned from, renamed, renumbered, or patterned after one of the listed firearms in subdivision (a), (b), (c), or those described in subdivision (d) regardless of the company of production or distribution, or country of origin, or any firearm which has been manufactured or sold by another company under a licensing agreement to manufacture or sell the identical or nearly identical firearms as those listed in subdivision (a), (b), (c), or those described in subdivision (d), regardless of the company of production or distribution, or the country of origin.

12277. As used in this chapter, "person" means an individual, partnership, corporation, association, or any other group or entity, regardless of how it was created.

Article 2. Unlawful Activities

12280. (a) Any person who within this state manufactures or causes to be manufactured, imports into the state, keeps for sale, or offers or exposes for sale, or who gives or lends any assault weapon, except as provided by this chapter, is guilty of a felony, and upon conviction shall be punished by imprisonment in the state prison for four, six, or eight years. Any person who, within this state, possesses any assault weapon, except as provided in this chapter, is guilty of a felony, and upon conviction shall be punished by imprisonment in the state prison, or in the county jail, not exceeding one year. Notwithstanding Section 654 or any other provision of law, any person who commits another crime while violating this section may receive an additional, consecutive punishment of one year for violating this section in addition and consecutive to the punishment, including enhancements, which is prescribed for the other crime.

(b) Subdivision (a) does not apply to the sale to, purchase by, or possession of assault weapons by the Department of Justice, police departments, sheriffs' offices, the Department of Corrections, the California Highway Patrol, the California State Police, District Attorneys' Offices, or the military or naval forces of this state or of the United States for use in the discharge of their official duties; nor shall anything in this chapter prohibit the possession or use of assault weapons by sworn members of these agencies when on duty and the use is within the scope of their duties.

Article 3. Registration and Permits

12285. (a) Any person who lawfully possesses an assault weapon, as defined in Section 12276, prior to June 1, 1989, shall register the firearm by January 1, 1991, with the Department of Justice pursuant to such procedures as the department may establish. The registration shall contain a description of the firearm that identifies it uniquely, including all identification marks, the full name, address, date of birth, and thumbprint of the owner, and such other information as the department may deem appropriate. The department may charge a fee for registration not to exceed the actual processing costs of the department. After the department establishes fees sufficient to reimburse the department for processing costs, fees charged shall increase at a rate not to exceed the legislatively approved annual cost-of-living adjustment for the department's budget. The State Budget Act shall set a maximum registration fee that the department may charge.

(b) No assault weapon possessed pursuant to this section may be sold or transferred on or after January 1, 1990, to anyone within this state other than to a licensed gun dealer as defined in subdivision (b) of Section 12290. Any person who obtains title to an assault weapon registered under this section by bequest or intestate succession must, within 90 days, either render the weapon permanently inoperable, sell the weapon to a licensed gun dealer, obtain a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230), or remove the weapon from this state.

(c) A person who has registered an assault weapon acquired prior to June 1, 1989, under this section may possess it only under the following conditions unless a permit allowing additional uses is first obtained under Section 12286:

(1) At that person's residence, place of business, or other property owned by that person, or on property owned by another with the owner's express permission.

(2) While on the premises of a target range of a public or private club or organization organized for the purpose of practicing shooting at targets.

(3) While on a target range which holds a regulatory or business license for the purpose of practicing shooting at that target range.

(4) While on the premises of a shooting club which is licensed pursuant to the Fish and Game Code.

(5) While attending any exhibition, display, or educational project which is about firearms and which is sponsored by, conducted under the auspices of, or approved by a law enforcement agency or a nationally or state recognized entity that fosters proficiency in, or promotes education about, firearms.

(6) While transporting the assault weapon between any of the places mentioned in this subdivision, if the assault weapon is transported as required by Section 12026.1.

(d) No person under the age of 18 years and no person convicted of an offense listed in Section 12021 or 12021.1 of this code or a person described in Section 8100 or 8103 of the Welfare and Institutions Code may register or possess an assault weapon.

12286. (a) Any person that lawfully acquired an assault weapon before June 1, 1989, and wishes to use it in a manner different than specified in subdivision (c) of Section 12285, any person that lawfully acquired an assault weapon between June 1, 1989, and January 1, 1990, and wishes to keep it after January 1, 1990, or any person who wishes to acquire an assault weapon after January 1, 1990, shall first obtain a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230).

Article 4. Licensed Gun Dealers

12290. (a) Any licensed gun dealer, as defined in subdivision (b), who lawfully possesses an assault weapon pursuant to Section 12285, in addition to the uses allowed in Section 12285, may transport the weapon between dealers or out of the state, display it at any gun show licensed by a state or local governmental entity, sell it to a resident outside the state, or sell it to a person who has been issued a permit pursuant to Section 12286. Any transporting allowed by this section must be done as required by Section 12026.1.

(b) The term "licensed gun dealer," as used in this article means a person who has a federal firearms license, any business license required by a state or local governmental entity, and a seller's permit issued by the Board of Equalization.

SEC. 5. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 6. The Legislature finds and declares that the weapons enumerated in Section 12276 of the Penal Code are particularly dangerous in the hands of criminals and serve no necessary hunting or sporting purpose for honest citizens. It is the intent, therefor, to ban the weapons enumerated in Section 12276 of the Penal Code and any other models which are only variations of these weapons, which are the same weapon but manufactured or sold by another company under a licensing agreement, or which are new models manufactured or sold by any company with just minor modifications or new model numbers in order to circumvent the prohibitions of Chapter 2.3 (commencing with Section 12275) of Title 2 of Part 4 of the Penal Code.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime

or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 19

An act to amend Sections 245, 12001.6, 12020.5, 12022, and 12022.5 of, and to repeal and add Chapter 2.3 (commencing with Section 12275) of Title 2 of Part 4 of, the Penal Code, relating to firearms.

[Approved by Governor May 24, 1989 Filed with Secretary of State May 24, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 245 of the Penal Code is amended to read:

245. (a) (1) Every person who commits an assault upon the person of another with a deadly weapon or instrument other than a firearm or by any means of force likely to produce great bodily injury is punishable by imprisonment in the state prison for two, three or four years, or in a county jail not exceeding one year, or by fine not exceeding ten thousand dollars ($10,000), or by both such fine and imprisonment.

(2) Every person who commits an assault upon the person of another with a firearm is punishable by imprisonment in the state prison for two, three, or four years, or in a county jail for a term of not less than six months and not exceeding one year, or by both a fine not exceeding ten thousand dollars ($10,000) and imprisonment.

(3) Every person who commits an assault upon the person of another with a machinegun, as defined in Section 12200, or an assault weapon, as defined in Section 12276, shall be punished by imprisonment in the state prison for 4, 8, or 12 years.

(b) Every person who commits an assault with a deadly weapon or instrument, other than a firearm, or by any means likely to produce great bodily injury upon the person of a peace officer or fireman, and who knows or reasonably should know that the victim is a peace officer or fireman engaged in the performance of his or her duties, when such peace officer or fireman is engaged in the

performance of his or her duties shall be punished by imprisonment in the state prison for three, four, or five years.

(c) (1) Every person who commits an assault with a firearm upon the person of a peace officer or firefighter, and who knows or reasonably should know that the victim is a peace officer or firefighter engaged in the performance of his or her duties, when the peace officer or firefighter is engaged in the performance of his or her duties shall be punished by imprisonment in the state prison for four, six, or eight years.

(2) Every person who commits an assault with a machinegun, as defined in Section 12200, or an assault weapon, as defined in Section 12276, upon the person of a peace officer or firefighter, and who knows or reasonably should know that the victim is a peace officer or firefighter engaged in the performance of his or her duties, shall be punished by imprisonment in the state prison for 6, 9, or 12 years.

(d) When a person is convicted of a violation of this section, in a case involving use of a deadly weapon or instrument or firearm, and the weapon or instrument or firearm is owned by that person, the court shall order that the weapon or instrument or firearm be deemed a nuisance and it shall be confiscated and disposed of in the manner provided by Section 12028.

(e) As used in this section, "peace officer" refers to any person designated as a peace officer in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2.

SEC. 1.1. Section 12001.6 of the Penal Code is amended to read:

12001.6. As used in this chapter, an offense which involves the violent use of a firearm includes any of the following:

(a) A violation of paragraph (2) or (3) of subdivision (a) of Section 245 or a violation of subdivision (c) of Section 245.

(b) A violation of Section 246.

(c) A violation of paragraph (2) of subdivision (a) of Section 417.

(d) A violation of subdivision (b) of Section 417.

SEC. 1.5. Section 12020.5 of the Penal Code is amended to read:

12020.5. It shall be unlawful for any person, as defined in Section 12277, in any newspaper, magazine, circular, form letter, or open publication, published, distributed, or circulated in this state, or on any billboard, card, label, or other advertising medium, or by means of any other advertising device, to advertise the sale of any weapon or device whose possession is prohibited by Section 12020 or 12280.

SEC. 1.6. Section 12022 of the Penal Code is amended to read:

12022. (a) (1) Except as provided in subdivisions (b) and (c), any person who is armed with a firearm in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one year, unless such arming is an element of the offense of which he or she was convicted. This additional term shall apply to any person who is a principal in the commission or attempted

commission of a felony if one or more of the principals is armed with a firearm, whether or not such person is personally armed with a firearm.

(2) Except as provided in subdivision (b), and notwithstanding subdivision (c), if the firearm is an assault weapon, as defined in Section 12276, or a machinegun, as defined in Section 12200, the additional term described in this subdivision shall be three years whether or not the arming is an element of the offense of which he or she was convicted. The additional term provided in this paragraph shall apply to any person who is a principal in the commission or attempted commission of a felony if one or more of the principals is armed with an assault weapon or machinegun whether or not the person is personally armed with an assault weapon or machinegun.

(b) Notwithstanding the enhancement set forth in subdivision (a), any person who is personally armed with a firearm in the commission or attempted commission of a violation of Section 11351, 11351.5, 11352, 11366.5, 11366.6, 11378, 11378.5, 11379, 11379.5, or 11379.6 of the Health and Safety Code, shall, upon conviction of that offense and in addition and consecutive to the punishment prescribed for the offense of which he or she has been convicted, be punished by an additional term of imprisonment in the state prison for three, four, or five years in the court's discretion. The court shall order the middle term unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its enhancement choice on the record at the time of the sentence.

(c) Notwithstanding the enhancement set forth in subdivision (a), any person not personally armed with a firearm who, knowing that another principal is personally armed with a firearm, is a principal in the commission or attempted commission of an offense specified in subdivision (b), shall, upon conviction of that offense, be punished by an additional term of one, two, or three years in the court's discretion. The court shall order the imposition of the middle term unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its enhancement choice on the record at the time of sentencing.

(d) Any person who personally uses a deadly or dangerous weapon in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one year, unless use of a deadly or dangerous weapon is an element of the offense of which he or she was convicted.

When a person is found to have personally used a deadly or dangerous weapon in the commission or attempted commission of a felony as provided in this subdivision and the weapon is owned by that person, the court shall order that the weapon be deemed a nuisance and disposed of in the manner provided in Section 12028.

(e) For purposes of imposing an enhancement under Section

1170.1, the enhancements under this section shall count as one, single enhancement.

(f) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in subdivision (b) or (c) in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

SEC. 2. Section 12022.5 of the Penal Code is amended to read:

12022.5. (a) Except as provided in subdivisions (b) and (c), any person who personally uses a firearm in the commission or attempted commission of a felony shall, upon conviction of such felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of imprisonment in the state prison for two years, unless use of a firearm is an element of the offense of which he or she was convicted.

(b) Notwithstanding subdivision (a), any person who is convicted of a felony or an attempt to commit a felony, including murder or attempted murder, in which that person discharged a firearm at an occupied motor vehicle which caused great bodily injury or death to the person of another, or any person who personally uses an assault weapon, as specified in Section 12276 or a machinegun, as defined in Section 12200, in the commission or attempted commission of a felony, shall, upon conviction of that felony or attempted felony, in addition and consecutive to the sentence prescribed for the felony or attempted felony, be punished by an additional term of imprisonment in the state prison for five years.

(c) Notwithstanding the enhancement set forth in subdivision (a), any person who personally uses a firearm in the commission or attempted commission of a violation of Section 11351, 11351.5, 11352, 11366.5, 11366.6, 11378, 11378.5, 11379, 11379.5, or 11379.6 of the Health and Safety Code, shall, upon conviction of that offense and in addition and consecutive to the punishment prescribed for the offense of which he or she has been convicted, be punished by an additional term of imprisonment in the state prison for three, four, or five years in the court's discretion. The court shall order the imposition of middle term unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its enhancement choice on the record.

(d) The additional term provided by this section may be imposed in cases of assault with a firearm under paragraph (2) of subdivision (a) of Section 245, or assault with a deadly weapon which is a firearm under Section 245.

(e) When a person is found to have personally used a firearm, an assault weapon, or a machinegun in the commission or attempted commission of a felony as provided in this section and the firearm, assault weapon, or machinegun is owned by that person, the court shall order that the firearm be deemed a nuisance and disposed of

in the manner provided in Section 12028.

(f) For purposes of imposing an enhancement under Section 1170.1, the enhancements under this section shall count as one, single enhancement.

(g) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancement provided in subdivision (c) in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

SEC. 2.5. Chapter 2.3 (commencing with Section 12275) of Title 2 of Part 4 of the Penal Code, as added by Senate Bill 292, is repealed.

SEC. 3. Chapter 2.3 (commencing with Section 12275) is added to Title 2 of Part 4 of the Penal Code, to read:

CHAPTER 2.3. ROBERTI-ROOS ASSAULT WEAPONS CONTROL ACT OF 1989

Article 1. General Provisions

12275. This chapter shall be known as the Roberti-Roos Assault Weapons Control Act of 1989.

12275.5. The Legislature hereby finds and declares that the proliferation and use of assault weapons poses a threat to the health, safety, and security of all citizens of this state. The Legislature has restricted the assault weapons specified in Section 12276 based upon finding that each firearm has such a high rate of fire and capacity for firepower that its function as a legitimate sports or recreational firearm is substantially outweighed by the danger that it can be used to kill and injure human beings. It is the intent of the Legislature in enacting this chapter to place restrictions on the use of assault weapons and to establish a registration and permit procedure for their lawful sale and possession. It is not, however, the intent of the Legislature by this chapter to place restrictions on the use of those weapons which are primarily designed and intended for hunting, target practice, or other legitimate sports or recreational activities.

12276. As used in this chapter, "assault weapon" shall mean the following firearms known by trade names:

(a) All of the following specified rifles:

(1) Avtomat Kalashnikovs (AK) series.

(2) UZI and Galil.

(3) Beretta AR-70 (SC-70).

(4) CETME G3.

(5) Colt AR-15 series and CAR-15 series.

(6) Daewoo K-1, K-2, Max 1, and Max 2.

(7) Fabrique Nationale FN/FAL, FN/LAR, and FNC.

(8) FAMAS MAS223.

(9) Heckler & Koch HK-91, H-93, HK-94, and PSG-1.

(10) MAC 10 and MAC 11.

(11) SKS with detachable magazine.
(12) SIG AMT, SIG 500 Series, and SIG PE-57.
(13) Springfield Armory BM59 and SAR-48.
(14) Sterling MK-6 and SAR.
(15) Steyr AUG.
(16) Valmet M62, M71S, and M78.
(17) Armalite AR-180 Carbine.
(18) Bushmaster Assault Rifle (armgun).
(19) Calico M-900 Assault Carbine.
(20) Mandall THE TAC-1 Carbine.
(21) Plainfield Machine Company Carbine.
(22) PJK M-68 Carbine.
(23) Weaver Arm Nighthawk.
(b) All of the following specified pistols:
(1) UZI.
(2) Encom MP-9 and MP-45.
(3) MAC 10 and MAC 11.
(4) INTRATEC TEC-9.
(5) Mitchell Arms Spectre Auto.
(6) Sterling MK-7.
(7) Calico M-900.
(c) All of the following specified shotguns:
(1) Franchi SPAS 12 and LAW 12.
(2) Gilbert Equipment Company Striker 12 and SWD Street Sweeper.
(3) Encom CM-55.
(d) Any firearm declared by a court pursuant to Section 12276.5 to be an assault weapon.

12276.5. (a) Upon request by the Attorney General filed in a verified petition in a superior court of a county with a population of more than 1,000,000, the superior court shall issue a declaration of temporary suspension of the manufacture, sale, distribution, transportation, or importation into the state, or the giving or lending of a firearm alleged to be an assault weapon within the meaning of Section 12276 because the firearm is either of the following:

(1) Another model by the same manufacturer or a copy by another manufacturer of an assault weapon listed in subdivision (a), (b), or (c) of Section 12276 which is identical to one of the assault weapons listed in those subdivisions except for slight modifications or enhancements including, but not limited to: a folding or retractable stock; adjustable sight; case deflector for left-handed shooters; shorter barrel; wooden, plastic or metal stock; larger magazine size; different caliber provided that the caliber exceeds .22 rimfire; or bayonet mount. The court shall strictly construe this paragraph so that a firearm which is merely similar in appearance but not a prototype or copy can not be found to be within the meaning of this paragraph.

(2) A firearm first manufactured or sold to the general public in California after June 1, 1989, which has been redesigned, renamed,

or renumbered from one of the firearms listed in subdivision (a), (b), or (c) of Section 12276, or which is manufactured or sold by another company under a licensing agreement to manufacture or sell one of the firearms listed in subdivision (a), (b), or (c) of Section 12276, regardless of the company of production or distribution, or the country of origin.

(b) Upon the issuance of a declaration of temporary suspension by the superior court and after the Attorney General has completed the notice requirements of subdivisions (c) and (d), the provisions of subdivision (a) of Section 12280 shall apply with respect to those weapons.

(c) Upon declaration of temporary suspension, the Attorney General shall immediately notify all police, sheriffs, district attorneys, and those requesting notice pursuant to subdivision (d), shall notify industry and association publications for those who manufacture, sell, or use firearms, and shall publish notice in not less than 10 newspapers of general circulation in geographically diverse sections of the state of the fact that the declaration has been issued.

(d) The Attorney General shall maintain a list of any persons who request to receive notice of any declaration of temporary suspension and shall furnish notice under subdivision (c) to all these persons immediately upon a superior court declaration. Notice shall also be furnished by the Attorney General by certified mail, return receipt requested (or substantial equivalent if the person to receive same resides outside the United States), to any known manufacturer and California distributor of the weapon subject of the temporary suspension order or their California statutory agent for service. The notice shall be deemed effective upon mailing.

(e) After issuing a declaration of temporary suspension under this section, the superior court shall set a date for hearing on a permanent declaration that the weapon is an assault weapon. The hearing shall be set no later than 30 days from the date of issuance of the declaration of temporary suspension. The hearing may be continued for good cause thereafter. Any manufacturer or California distributor of the weapon which is the subject of the temporary suspension order has the right, within 20 days of notification of the issuance of the order, to intervene in the action. Any manufacturer or California distributor who fails to timely exercise its right of intervention, or any other person who manufacturers, sells, or owns the assault weapon may, in the court's discretion, thereafter join the action as amicus curiae.

(f) At the hearing, the burden of proof is upon the Attorney General to show by a preponderance of evidence that the weapon which is the subject of the declaration of temporary suspension is an assault weapon. If the court finds the weapon to be an assault weapon it shall issue a declaration that it is an assault weapon under Section 12276. Any party to the matter may appeal the court's decision. A declaration that the weapon is an assault weapon shall remain in effect during the pendency of the appeal unless ordered otherwise

by the appellate court.

12277. As used in this chapter, "person" means an individual, partnership, corporation, association, or any other group or entity, regardless of how it was created.

Article 2. Unlawful Activities

12280. (a) Any person who within this state manufactures or causes to be manufactured, distributes, transports, or imports into the state, keeps for sale, or offers or exposes for sale, or who gives or lends any assault weapon, except as provided by this chapter, is guilty of a felony, and upon conviction shall be punished by imprisonment in the state prison for four, six, or eight years.

(b) Except as provided in Section 12288, any person who, within this state, possesses any assault weapon, except as provided in this chapter, is guilty of a public offense and upon conviction shall be punished by imprisonment in the state prison, or in the county jail, not exceeding one year. However, if the person presents proof that he or she lawfully possessed the assault weapon prior to June 1, 1989, or prior to a declaration issued pursuant to Section 12276.5 declaring that firearm to be an assault weapon, and has since either registered the firearm and any other lawfully obtained firearm subject to this chapter pursuant to Section 12285 or relinquished them pursuant to Section 12288, a first-time violation of this subdivision shall be an infraction punishable by a fine of up to five hundred dollars ($500), but not less than three hundred fifty dollars ($350), if the person has otherwise possessed the firearm in compliance with subdivision (c) of Section 12285. In these cases, the firearm shall be returned unless the court finds in the interest of public safety, after notice and hearing, that the assault weapon should be destroyed pursuant to Section 12028.

(c) Notwithstanding Section 654 or any other provision of law, any person who commits another crime while violating this section may receive an additional, consecutive punishment of one year for violating this section in addition and consecutive to the punishment, including enhancements, which is prescribed for the other crime.

(d) Subdivisions (a) and (b) do not apply to the sale to, purchase by, or possession of assault weapons by the Department of Justice, police departments, sheriffs' offices, the Department of Corrections, the California Highway Patrol, the California State Police, district attorneys' offices, or the military or naval forces of this state or of the United States for use in the discharge of their official duties; nor shall anything in this chapter prohibit the possession or use of assault weapons by sworn members of these agencies when on duty and the use is within the scope of their duties.

Article 3. Registration and Permits

12285. (a) Any person who lawfully possesses an assault weapon, as defined in Section 12276, prior to June 1, 1989, shall register the firearm by January 1, 1991, with the Department of Justice pursuant to those procedures which the department may establish. The registration shall contain a description of the firearm that identifies it uniquely, including all identification marks, the full name, address, date of birth, and thumbprint of the owner, and any other information as the department may deem appropriate. The department may charge a fee for registration of up to twenty dollars ($20) per person but not to exceed the actual processing costs of the department. After the department establishes fees sufficient to reimburse the department for processing costs, fees charged shall increase at a rate not to exceed the legislatively approved annual cost-of-living adjustment for the department's budget or as otherwise increased through the State Budget Act.

(b) No assault weapon possessed pursuant to this section may be sold or transferred on or after January 1, 1990, to anyone within this state other than to a licensed gun dealer, as defined in subdivision (b) of Section 12290, or as provided in Section 12288. Any person who (1) obtains title to an assault weapon registered under this section by bequest or intestate succession, (2) moves into the state in lawful possession of an assault weapon, or (3) lawfully possesed a firearm subsequently declared to be an assault weapon pursuant to Section 12276.5, shall, within 90 days, either render the weapon permanently inoperable, sell the weapon to a licensed gun dealer, obtain a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230) of Chapter 2, or remove the weapon from this state. A person who lawfully possessed a firearm which was subsequently declared to be an assault weapon pursuant to Section 12276.5 may alternatively register the firearm within 90 days of the declaration issued pursuant to subdivision (f) of Section 12276.5.

(c) A person who has registered an assault weapon under this section may possess it only under the following conditions unless a permit allowing additional uses is first obtained under Section 12286:

(1) At that person's residence, place of business, or other property owned by that person, or on property owned by another with the owner's express permission.

(2) While on the premises of a target range of a public or private club or organization organized for the purpose of practicing shooting at targets.

(3) While on a target range which holds a regulatory or business license for the purpose of practicing shooting at that target range.

(4) While on the premises of a shooting club which is licensed pursuant to the Fish and Game Code.

(5) While attending any exhibition, display, or educational project which is about firearms and which is sponsored by, conducted under

the auspices of, or approved by a law enforcement agency or a nationally or state recognized entity that fosters proficiency in, or promotes education about, firearms.

(6) While transporting the assault weapon between any of the places mentioned in this subdivision, if the assault weapon is transported as required by Section 12026.1.

(d) No person who is under the age of 18 years, no person who is prohibited from possessing a firearm by Section 12021 or 12021.1 of this code, and no person described in Section 8100 or 8103 of the Welfare and Institutions Code may register or possess an assault weapon.

(e) The department's registration procedures shall provide the option of joint registration for assault weapons owned by family members residing in the same household.

12286. (a) Any person that lawfully acquired an assault weapon before June 1, 1989, and wishes to use it in a manner different than specified in subdivision (c) of Section 12285, any person that lawfully acquired an assault weapon between June 1, 1989, and January 1, 1990, and wishes to keep it after January 1, 1990, or any person who wishes to acquire an assault weapon after January 1, 1990, shall first obtain a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230) of Chapter 2.

12288. Any individual may arrange in advance to relinquish an assault weapon to a police or sheriff's department. The assault weapon shall be transported in accordance Section 12026.1.

Article 4. Licensed Gun Dealers

12290. (a) Any licensed gun dealer, as defined in subdivision (b), who lawfully possesses an assault weapon pursuant to Section 12285, in addition to the uses allowed in Section 12285, may transport the weapon between dealers or out of the state, display it at any gun show licensed by a state or local governmental entity, sell it to a resident outside the state, or sell it to a person who has been issued a permit pursuant to Section 12286. Any transporting allowed by this section must be done as required by Section 12026.1.

(b) The term "licensed gun dealer," as used in this article means a person who has a federal firearms license, any business license required by a state or local governmental entity, and a seller's permit issued by the State Board of Equalization.

SEC. 4. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 5. The Legislature finds and declares that the weapons enumerated in Section 12276 of the Penal Code are particularly dangerous in the hands of criminals and serve no necessary hunting

or sporting purpose for honest citizens. It is the intent, therefor, to ban the weapons enumerated in Section 12276 of the Penal Code and any other models which are only variations of these weapons, which are the same weapon but manufactured or sold by another company under a licensing agreement, or which are new models manufactured or sold by any company with just minor modifications or new model numbers in order to circumvent the prohibitions of Chapter 2.3 (commencing with Section 12275) of Title 2 of Part 4 of the Penal Code.

SEC. 6. Section 1 of this act, which amends Section 245 of the Penal Code, shall not become operative if Senate Bill 292 of the 1989–90 Regular Session of the Legislature is also chaptered and amends Section 245 of the Penal Code.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

In addition, no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority in Section 12028 of the Penal Code to recover any administrative costs that may be incurred in carrying out the program or level of service mandated by this act

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 20

An act to amend Section 1547 of the Penal Code, relating to crimes, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1989 Filed with Secretary of State May 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1547 of the Penal Code is amended to read:

1547. (a) The Governor may offer a reward of not more than fifty thousand dollars ($50,000), payable out of the General Fund, for information leading to the arrest and conviction of any of the following:

(1) Any convict who has escaped from a state prison, prison camp, prison farm, or the custody of any prison officer or employee or as

provided in Section 3059 or 4530.

(2) Any person who has committed, or is charged with the commission of, an offense punishable with death.

(3) Any person engaged in the robbery or hijacking of, or any attempt to rob or hijack, any person upon or in charge of, in whole or in part, any public conveyance engaged at the time in carrying passengers within this state.

(4) Any person who kills, assaults with a deadly weapon, or inflicts serious bodily harm upon a police officer who is acting in the line of duty.

(5) Any person who has committed a crime involving the burning or bombing of public property, including any public hospital housed in a privately owned facility.

(6) Any person who has committed a crime involving the burning or bombing of any private hospital. A reward may be offered by the Governor in conjunction with such a crime only if a reward in conjunction with the same crime is offered by the hospital, or any other public or private donor on its behalf. The amount of the reward offered by the Governor shall not exceed the aggregate amount offered privately, or fifty thousand dollars ($50,000), whichever is less. Nothing in this paragraph shall preclude a private hospital, or any public or private donor on its behalf, from offering a reward in an amount exceeding fifty thousand dollars ($50,000). If a person providing information for a reward under this paragraph so requests, his or her name and address shall remain confidential. This confidentiality, however, shall not preclude or obstruct the investigations of law enforcement authorities.

(7) Any person who commits a violation of Section 11413.

(8) Any person who commits a violation of Section 207.

(b) The reward shall be paid to the person giving the information, immediately upon the conviction of the person so arrested.

(c) As used in this section, "hijacking" means an unauthorized person causing, or attempting to cause, by violence or threat of violence, a public conveyance to go to an unauthorized destination.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to assist law enforcement agencies at the earliest possible time, by offering rewards leading to the arrest and conviction of kidnappers, it is necessary that this act take effect immediately.

CHAPTER 21

An act to amend Sections 3, 254, 1023, 1200, 1217, 1220, 2100, 2105.5, 2501, 2557, 6414, 7050, 7060, 7200, 7622, 8404, 8405, 8482, 8547, 9154, 9250, 9612, 9620, 10452, 11004, 11641, 11801, and 12530 of, to add Part 10 (commencing with Section 330) to Division 2 of, and to add Section 10902 to, the Probate Code, and to repeal Section 2 of Chapter 280 of the Statutes of 1988, relating to probate law and procedure, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1989 Filed with Secretary of State May 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

3. (a) As used in this section:

(1) "New law" means a change in this code, whether effectuated by amendment, addition, or repeal of any provision of this code.

(2) "Old law" means the applicable law in effect before the operative date of the new law.

(3) "Operative date" means the operative date of the new law.

(b) This section governs the application of the new law except to the extent otherwise expressly provided in the new law.

(c) Subject to the limitations provided in this section, the new law applies on the operative date to all matters governed by the new law, regardless of whether an event occurred or circumstance existed before, on, or after the operative date, including, but not limited to, creation of a fiduciary relationship, death of a person, commencement of a proceeding, making of an order, or taking of an action.

(d) If a petition, account, report, inventory, appraisal, or other document or paper is filed before the operative date, the contents, execution, and notice thereof are governed by the old law and not by the new law; but any subsequent proceedings taken after the operative date concerning the petition, account, report, inventory, appraisal, or other document or paper, including an objection or response, a hearing, an order, or other matter relating thereto is governed by the new law and not by the old law.

(e) If an order is made before the operative date, including an order appointing a personal representative, guardian, conservator, trustee, probate referee, or any other fiduciary or officer, or any action on an order is taken before the operative date, the validity of the order or action is governed by the old law and not by the new law. Nothing in this subdivision precludes proceedings after the operative date to modify an order made, or alter a course of action commenced, before the operative date to the extent proceedings for

modification of an order or alteration of a course of action of that type are otherwise provided in the new law.

(f) No personal representative, guardian, conservator, trustee, probate referee, or any other fiduciary, officer, or person is liable for any action taken before the operative date that was proper at the time the action was taken, even though the action would be improper if taken on or after the operative date, and such a person has no duty, as a result of the enactment of the new law, to take any step to alter the course of action or its consequences.

(g) If the new law does not apply to a matter that occurred before the operative date, the old law continues to govern the matter notwithstanding its repeal or amendment by the new law.

(h) If a party shows, and the court determines, that application of a particular provision of the new law or of the old law in the manner required by this section or by the new law would substantially interfere with the effective conduct of the proceedings or the rights of the parties or other interested persons in connection with an event that occurred or circumstance that existed before the operative date, the court may, notwithstanding this section or the new law, apply either the new law or the old law to the extent reasonably necessary to mitigate the substantial interference.

SEC. 2. Section 254 of the Probate Code is amended to read:

254. (a) A final judgment of conviction of felonious and intentional killing is conclusive for purposes of this part.

(b) In the absence of a final judgment of conviction of felonious and intentional killing, the court may determine by a preponderance of evidence whether the killing was felonious and intentional for purposes of this part. The burden of proof is on the party seeking to establish that the killing was felonious and intentional for the purposes of this part.

SEC. 3. Part 10 (commencing with Section 330) is added to Division 2 of the Probate Code, to read:

PART 10. DELIVERY OF DECEDENT'S TANGIBLE PERSONAL PROPERTY

330. (a) Except as provided in subdivision (b), a public administrator, government official, law enforcement agency, the hospital or institution in which a decedent died, or the decedent's employer, may, without the need to wait 40 days after death, deliver the tangible personal property of the decedent in its possession, including keys to the decedent's residence, to the decedent's surviving spouse, relative, or conservator or guardian of the estate acting in that capacity at the time of death.

(b) A person shall not deliver property pursuant to this section if the person knows or has reason to believe that there is a dispute over the right to possession of the property.

(c) A person that delivers property pursuant to this section shall require reasonable proof of the status and identity of the person to

whom the property is delivered, and may rely on any document described in subdivision (d) of Section 13104 as proof of identity.

(d) A person that delivers property pursuant to this section shall, for a period of three years after the date of delivery of the property, keep a record of the property delivered and the status and identity of the person to whom the property is delivered.

(e) Delivery of property pursuant to this section does not determine ownership of the property or confer any greater rights in the property than the recipient would otherwise have, and does not preclude later proceedings for administration of the decedent's estate. If proceedings for administration of the decedent's estate are commenced, the person holding the property shall deliver it to the personal representative on request by the personal representative.

(f) A person that delivers property pursuant to this section is not liable for loss or damage to the property caused by the person to whom the property is delivered.

SEC. 4. Section 1023 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

1023. If a petitioner, objector, or respondent is absent from the county or for some other cause is unable to sign or verify a petition, objection, or response, the person's attorney may sign or verify the petition, objection, or response unless the person is a fiduciary appointed in the proceeding.

SEC. 5. Section 1200 of the Probate Code is amended to read:

1200. (a) Except as provided in subdivisions (b), (c), and (d), this part governs notice required or permitted under this code.

(b) This part does not apply to proceedings under Division 4 (commencing with Section 1400) (guardianship and conservatorship) or Division 9 (commencing with Section 15000) (Trust Law), except that Sections 1201, 1202, 1204, 1205, 1207, 1240, 1241, and 1242 apply to proceedings under any of the divisions of this code.

(c) This part does not apply to notice under a particular provision to the extent that the particular provision is inconsistent with this part.

(d) This part does not apply to the giving of a particular notice where the notice was delivered, mailed, posted, or first published before July 1, 1988. The applicable law in effect before July 1, 1988, continues to apply to the giving of that notice, notwithstanding its amendment or repeal by Chapter 923 of the Statutes of 1987.

SEC. 6. Section 1217 of the Probate Code is amended to read:

1217. If a notice or other paper is required to be served or otherwise given and no other manner of giving the notice or other paper is specified by statute, the notice or other paper shall be mailed or personally delivered as provided in this chapter.

SEC. 7. Section 1220 of the Probate Code, as amended by Chapter 1199 of the Statutes of 1988, is amended to read:

1220. (a) Notice of a hearing shall be given as provided in this section in the following cases:

(1) Where another section so requires.

(2) Where notice of a hearing is required but no other period or manner is prescribed by statute, unless the period or manner of notice is ordered by the court or judge.

(b) At least 15 days before the time set for the hearing, the petitioner or the person filing the report, account, or other paper shall cause notice of the time and place of the hearing to be mailed to the persons required to be given notice.

(c) Unless the section requiring notice specifies the persons to be given notice, notice shall be mailed to all of the following:

(1) The personal representative.

(2) All persons who have given notice of appearance in the estate proceeding in person or by attorney. If the person appeared by attorney, the notice shall be mailed to the attorney.

(d) The notice shall be addressed to the person required to be given notice at the person's place of business or place of residence, if known, or, if neither address is known, to the person at the county seat where the proceedings are pending.

(e) Nothing in this section excuses compliance with the requirements for notice to a person who has requested special notice pursuant to Chapter 6 (commencing with Section 1250).

(f) The court for good cause may dispense with the notice otherwise required to be given to a person as provided in this section.

SEC. 8. Section 2100 of the Probate Code, as amended by Chapter 1199 of the Statutes of 1988, is amended to read:

2100. Guardianships and conservatorships are governed by the provisions of Part 1 (commencing with Section 1000) of Division 3 and of this division. If no specific provision of this division is applicable, the provisions applicable to administration of estates of decedents govern so far as they are applicable to like situations.

SEC. 9. Section 2105.5 of the Probate Code is amended to read:

2105.5. (a) Except as provided in subdivision (b), where there is more than one guardian or conservator of the estate, one guardian or conservator is not liable for a breach of fiduciary duty committed by another guardian or conservator.

(b) Where there is more than one guardian or conservator of the estate, one guardian or conservator is liable for a breach of fiduciary duty committed by another guardian or conservator of the same estate under any of the following circumstances:

(1) Where the guardian or conservator participates in a breach of fiduciary duty committed by the other guardian or conservator.

(2) Where the guardian or conservator improperly delegates the administration of the estate to the other guardian or conservator.

(3) Where the guardian or conservator approves, knowingly acquiesces in, or conceals a breach of fiduciary duty committed by the other guardian or conservator.

(4) Where the guardian or conservator negligently enables the other guardian or conservator to commit a breach of fiduciary duty.

(5) Where the guardian or conservator knows or has information

from which the guardian or conservator reasonably should have known of the breach of fiduciary duty by the other guardian or conservator and fails to take reasonable steps to compel the other guardian or conservator to redress the breach.

(c) The liability of a guardian or conservator for a breach of fiduciary duty committed by another guardian or conservator that occurred before July 1, 1988, is governed by prior law and not by this section.

SEC. 10. Section 2501 of the Probate Code is amended to read:

2501. (a) Except as provided in subdivision (b), court approval is required for a compromise, settlement, extension, renewal, or modification which affects:

(1) Title to real property.

(2) An interest in real property or a lien or encumbrance on real property.

(3) An option to purchase real property or an interest in real property.

(b) Subdivision (a) does not apply to an extension, renewal, or modification of a lease of real property having an unexpired term of two years or less where, under the lease as extended, renewed, or modified, (1) the rental does not exceed one thousand five hundred dollars ($1,500) a month and the term does not exceed two years, or (2) regardless of the amount of the rental, the lease is from month to month.

SEC. 11. Section 2557 of the Probate Code is amended to read:

2557. (a) Whenever it is for the advantage, benefit, and best interests of the ward or conservatee and those legally entitled to support, maintenance, or education from the ward or conservatee, the guardian or conservator, after authorization by order of the court, may exchange any property of the estate for other property upon such terms and conditions as the court may prescribe. These conditions may include the payment or receipt of part cash by the guardian or conservator.

(b) To obtain an order under this section, the guardian or conservator or any interested person may file a petition with the court. Except as provided in subdivision (c), notice of the hearing on the petition shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1.

(c) If the petition is for authorization to exchange stocks, bonds, or other securities as defined in Section 10200 for different stocks, bonds, or other securities, the court, upon a showing of good cause, may order that the notice be given for a shorter period or dispensed with.

(d) After authorization by order of the court, the guardian or conservator may execute the conveyance or transfer to the person with whom the exchange is made to effectuate the exchange.

SEC. 12. Section 6414 of the Probate Code is amended to read:

6414. (a) Except as provided in subdivision (b), this part applies only where the decedent died on or after January 1, 1985, and the law

applicable prior to January 1, 1985, continues to apply where the decedent died before January 1, 1985.

(b) Section 6412 applies whether the decedent died before, on, or after January 1, 1985.

(c) Where any of the following provisions is applied in a case where the decedent died before January 1, 1985, any reference in that provision to this part shall be deemed to be a reference to former Division 2 (commencing with Section 200) which was repealed by Section 19 of Chapter 842 of the Statutes of 1983:

(1) Section 377 of the Code of Civil Procedure.

(2) Section 3524 of the Penal Code.

SEC. 13. Section 7050 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

7050. (a) The superior court has jurisdiction of proceedings under this code concerning the administration of the decedent's estate.

(b) The court in proceedings under this code concerning the administration of the decedent's estate is a court of general jurisdiction and the court, or a judge of the court, has the same power and authority with respect to the proceedings as otherwise provided by law for a superior court, or a judge of the superior court, including, but not limited to, the matters authorized by Section 128 of the Code of Civil Procedure.

SEC. 14. Section 7060 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

7060. (a) In addition to any other ground provided by law for disqualification of a judge, a judge is disqualified from acting in proceedings under this code concerning the administration of the decedent's estate, except to order the transfer of a proceeding as provided in Article 3 (commencing with Section 7070), if any of the following circumstances exist:

(1) The judge is interested as a beneficiary or creditor.

(2) The judge is named as executor or trustee in the will.

(3) The judge is otherwise interested.

(b) A judge who participates in any manner in the drafting or execution of a will, including acting as a witness to the will, is disqualified from acting in any proceeding prior to and including the admission of the will to probate or in any proceeding involving its validity or interpretation.

(c) The amendments made to former Section 303 by Section 27 of Chapter 923 of the Statutes of 1987 do not apply in any proceeding commenced prior to July 1, 1988.

SEC. 15. Section 7200 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

7200. Except as otherwise expressly provided in this code, there is no right to a jury trial in proceedings under this code concerning the administration of the decedent's estate.

SEC. 16. Section 7622 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

7622. Except as otherwise provided in this chapter:

(a) The public administrator shall administer the estate in the same manner as a personal representative generally, and the provisions of this code concerning the administration of the decedent's estate apply to administration by the public administrator.

(b) The public administrator and the public administrator's attorney are entitled to receive the same compensation and allowances granted by this division to a personal representative and the personal representative's attorney generally. However, the compensation of the public administrator and the public administrator's attorney shall not be less than the compensation and allowances in effect at the time of appointment of the public administrator, regardless of whether the public administrator was appointed before, on, or after the operative date of this section.

SEC. 17. Section 8404 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

8404. (a) Before letters are issued, the personal representative, other than a trust company, shall file an acknowledgment of receipt of a statement of duties and liabilities of the office. The statement shall be in the form provided in subdivision (c) or, if the Judicial Council prescribes the form of the statement, in the form prescribed by the Judicial Council. The court may by local rule require the acknowledgment of receipt to include the personal representative's social security number and driver's license number, if any, provided that the court ensures their confidentiality.

(b) The statement of duties and liabilities, whether in the form provided in subdivision (c) or prescribed by the Judicial Council, does not supersede the law on which the statement is based.

(c) The form for the statement of duties and liabilities of a personal representative is as follows:

DUTIES AND LIABILITIES OF PERSONAL REPRESENTATIVE

When you have been appointed as personal representative of an estate by the court, you become an officer of the court and assume certain duties and obligations. An attorney is best qualified to advise you regarding these matters. You should clearly understand the following:

1. You must manage the estate assets with the care of a prudent person dealing with someone else's property. This means you must be cautious and you may not make any speculative investments. You may deposit estate funds in insured accounts in financial institutions, but you should consult with an attorney before making other investments.

2. You must keep the money and property in this estate separate from anyone else's, including your own. When you open a bank account for the estate, the account name must indicate that it is an

estate account and not your personal account. Estate accounts, other than checking accounts intended for ordinary administration expenses, must earn interest. Never deposit estate funds in your personal account or otherwise commingle them with anyone else's property. Securities in the estate must also be held in a name that shows they are estate property and not your personal property.

3. There are many restrictions on your authority to deal with estate property. You should not spend any of the estate's money until you have received permission from the court or if so advised by an attorney. You may reimburse yourself for official court costs paid by you to the county clerk and for the premium on your bond. You may not pay fees to your attorney, if any, or to yourself without prior order of the court. If you do not obtain the court's permission when it is required, you may be removed as personal representative, or you may have to reimburse the estate from your own personal funds, or both. You should consult with an attorney concerning the legal requirements affecting sales, leases, mortgages, and investments of estate property.

4. You must attempt to locate and take possession of all the decedent's property to be administered in the estate. You must arrange to have a court-appointed referee determine the value of the property unless this is waived by the court. (You, rather than the referee, must determine the value of certain "cash items"; an attorney can advise you as to this procedure.) Within four months after your appointment as personal representative you must file with the court an inventory and appraisal of all the assets in the estate. At the time you file the inventory and appraisal you must also file a change of ownership statement with the county recorder or assessor in each county where the decedent owned real property at the time of death, as provided in Section 480 of the California Revenue and Taxation Code.

5. You must mail notice of administration to each known creditor of the decedent within four months after your appointment as personal representative. If the decedent received Medi-Cal assistance you must notify the State Director of Health Services within 90 days after appointment.

6. You should determine that there is appropriate and adequate insurance covering the assets and risks of the estate. Maintain the insurance in force during the entire period of the administration.

7. You must keep complete and accurate records of each financial transaction affecting the estate. You will have to prepare an account of all money and property you have received, what you have spent, and the date of each transaction. You must describe in detail what you have left after the payment of expenses. Your account will be reviewed by the court. Save your receipts because the court may ask to review them. If you do not file your accounts as required, the court will order you to do so. You may be removed as personal representative if you fail to comply.

This statement of duties and liabilities is a summary and is not a

complete statement of the law. Your conduct as a personal representative is governed by the law itself and not by this summary.

If you have an attorney, you should cooperate with the attorney at all times. You and your attorney are responsible for completing the estate administration as promptly as possible. When in doubt, contact your attorney.

SEC. 18. Section 8405 of the Probate Code, as added by Chapter 1199 of the Statues of 1988, is amended to read:

8405. Letters shall be signed by the clerk under the seal of the court and shall include:

(a) The county from which the letters are issued.

(b) The name of the person appointed as personal representative and whether the personal representative is an executor, administrator, administrator with the will annexed, or special administrator.

(c) A notation whether the personal representative is authorized to act under the Independent Administration of Estates Act (Part 6 (commencing with Section 10400) of Division 7), and whether the authority includes or excludes sale, exchange, granting an option to purchase, or borrowing money with the loan secured by an encumbrance upon, real property under the act.

SEC. 19. Section 8482 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

8482. (a) The court in its discretion may fix the amount of the bond, but the amount of the bond shall be not more than the sum of:

(1) The estimated value of the personal property.

(2) The probable annual gross income of the estate.

(3) If independent administration is granted as to real property, the estimated value of the decedent's interest in the real property.

(b) Notwithstanding subdivision (a), if the bond is given by an admitted surety insurer, the court may establish a fixed minimum amount for the bond, based on the minimum premium required by the admitted surety insurer.

(c) If the bond is given by personal sureties, the amount of the bond shall be twice the amount fixed by the court under subdivision (a).

(d) Before confirming a sale of real property the court shall require such additional bond as may be proper, not exceeding the maximum requirements of this section, treating the expected proceeds of the sale as personal property.

SEC. 20. Section 8547 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

8547. (a) Subject to the limitations of this section, the court shall fix the commission and allowances of the special administrator and the fees of the attorney of the special administrator.

(b) The commission of the special administrator shall not be allowed until the close of administration, unless the general personal

representative joins in the petition for allowance of the special administrator's commission or the court in its discretion so allows. Extra allowances of a special administrator may be allowed on settlement of the final account of the special administrator. The total commission paid and extra allowances made to the special administrator and general personal representative shall not, together, exceed the sums provided in this code for commission and extra allowances for the services of a personal representative. If the same person does not act as both special administrator and general personal representative, the commission and allowances shall be divided in such proportions as the court deems just or as may be agreed to by the special administrator and general personal representative.

(c) The total fees paid to the attorneys both of the special administrator and the general personal representative shall not, together, exceed the sums provided in this code as compensation for the ordinary and extraordinary services of attorneys for personal representatives. When the same attorney does not act for both the special administrator and general personal representative, the fees shall be divided between the attorneys in such proportions as the court deems just or as agreed to by the attorneys.

(d) Fees of an attorney for extraordinary services to a special administrator may be awarded in the same manner and subject to the same standards as for extraordinary services to a general personal representative, except that the award of fees to the attorney may be made on settlement of the final account of the special administrator. Extraordinary services for which the attorney may apply to the court for compensation under this subdivision include those services rendered by any paralegal performing the extraordinary services under the direction and supervision of an attorney. The petition or application for compensation shall set forth the hours spent and services performed by the paralegal.

SEC. 21. Section 9154 of the Probate Code is amended to read:

9154. (a) Notwithstanding any other provision of this part, if a creditor makes a written demand for payment within four months after the date letters are first issued to a general personal representative, the personal representative may waive formal defects and elect to treat the demand as a claim that is filed and established under this part by paying the amount demanded before the expiration of 30 days after the four-month period if all of the following conditions are satisfied:

(1) The debt was justly due.

(2) The debt was paid in good faith.

(3) The amount paid was the true amount of the indebtedness over and above all payments and offsets.

(4) The estate is solvent.

(b) Nothing in this section limits application of the doctrine of waiver, estoppel, laches, or detrimental reliance, or of any other equitable principle.

SEC. 22. Section 9250 of the Probate Code is amended to read:

9250. (a) When a claim is filed, the personal representative shall allow or reject the claim in whole or in part.

(b) The allowance or rejection shall be in writing. The personal representative shall file the allowance or rejection with the court clerk and give notice to the creditor as provided in Section 1215, together with a copy of the allowance or rejection.

(c) The allowance or rejection shall contain the following information:

(1) The name of the creditor.

(2) The total amount of the claim.

(3) The date of issuance of letters.

(4) The date of the decedent's death.

(5) The estimated value of the decedent's estate.

(6) The amount allowed or rejected by the personal representative.

(7) Whether the personal representative is authorized to act under the Independent Administration of Estates Act (Part 6 (commencing with Section 10400) of Division 7).

(8) A statement that the creditor has three months in which to act on a rejected claim.

(d) The Judicial Council may prescribe an allowance or rejection form, which may be part of the claim form. Use of a form prescribed by the Judicial Council is deemed to satisfy the requirements of this section.

(e) This section does not apply to a demand the personal representative elects to treat as a claim under Section 9154.

SEC. 23. Section 9612 of the Probate Code is amended to read:

9612. When a judgment or order made pursuant to the provisions of this code concerning the administration of the decedent's estate becomes final, it releases the personal representative and the sureties from all claims of the heirs or devisees and of any persons affected thereby based upon any act or omission directly authorized, approved, or confirmed in the judgment or order. For the purposes of this section, "order" includes an order settling an account of the personal representative, whether an interim or final account.

SEC. 24. Section 9620 of the Probate Code, as amended by Chapter 1199 of the Statutes of 1988, is amended to read:

9620. If there is a dispute relating to the estate between the personal representative and a third person, the personal representative may do either of the following:

(a) Enter into an agreement in writing with the third person to refer the dispute to a temporary judge designated in the agreement. The agreement shall be filed with the clerk, who shall thereupon, with the approval of the court, enter an order referring the matter to the designated person. The temporary judge shall proceed promptly to hear and determine the matter in controversy by summary procedure, without pleadings or discovery. The decision of the designated person shall be subject to Section 632 of the Code of

Civil Procedure. Judgment shall be entered on the decision and shall be as valid and effective as if rendered by a judge of the court in an action against the personal representative or the third person commenced by ordinary process.

(b) Enter into an agreement in writing with the third person that a judge, pursuant to the agreement and with the written consent of the judge, both filed with the clerk within the time specified in Section 9353 for bringing an independent suit on the matter in dispute, may hear and determine the dispute pursuant to the procedure provided in subdivision (a).

SEC. 25. Section 10452 of the Probate Code is amended to read:

10452. (a) Any interested person may object to the granting of authority to administer the estate under this part by filing at or before the hearing a written statement setting forth the objection or by appearing at the hearing and making the objection.

(b) Unless the court determines that the objecting party has shown good cause why the authority requested in the petition should not be granted, the court shall grant the requested authority. If the objecting party has shown good cause why only limited authority should be granted, the court shall grant only limited authority.

SEC. 26. Section 10902 is added to the Probate Code, to read:

10902. The personal representative shall file an account when required under Chapter 2 (commencing with Section 10950) and may file an account at any other time. Whether or not required, the filing of an account shall be deemed to include a petition for approval of the account.

SEC. 27. Section 11004 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

11004. The personal representative shall be allowed all necessary expenses in the administration of the estate, including, but not limited to, necessary expenses in the care, management, preservation, and settlement of the estate.

SEC. 28. Section 11641 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

11641. When an order settling a final account and for final distribution is entered, the personal representative may immediately distribute the property in the estate to the persons entitled to distribution, without further notice or proceedings.

SEC. 29. Section 11801 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

11801. (a) Except as provided in subdivision (b), the share in a decedent's estate of a beneficiary who survives the decedent but who dies before distribution shall be distributed under this chapter with the same effect as though the distribution were made to the beneficiary while living.

(b) Subject to Section 21525, distribution may not be made under this chapter if the decedent's will provides that the beneficiary is entitled to take under the will only if the beneficiary survives the date of distribution or other period stated in the will and the

beneficiary fails to survive the date of distribution or other period.

SEC. 30. Section 12530 of the Probate Code, as added by Chapter 1199 of the Statutes of 1988, is amended to read:

12530. Except to the extent otherwise provided in this chapter, ancillary administration of a decedent's estate is subject to all other provisions of this code concerning the administration of the decedent's estate, including, but not limited to, opening estate administration, inventory and appraisal, creditor claims, estate management, independent administration, compensation, accounts, payment of debts, distribution, and closing estate administration.

SEC. 31. Section 2 of Chapter 280 of the Statutes of 1988, as amended by Chapter 1447 of the Statutes of 1988, is repealed.

SEC. 32. This act shall become operative on July 1, 1989.

SEC. 33. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate and coordinate the implementation of Chapter 1199 of the Statutes of 1988, relating to probate law and procedure, which will become operative July 1, 1989, and other previously enacted statutes relating to probate law and procedure, it is necessary that this act go into immediate effect.

CHAPTER 22

An act to amend Section 1298 of the Code of Civil Procedure, relating to arbitration, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1989 Filed with Secretary of State May 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1298 of the Code of Civil Procedure is amended to read:

1298. (a) Whenever any contract to convey real property, or contemplated to convey real property in the future, including marketing contracts, deposit receipts, real property sales contracts as defined in Section 2985 of the Civil Code, leases together with options to purchase, or ground leases coupled with improvements, but not including powers of sale contained in deeds of trust or mortgages, contains a provision for binding arbitration of any dispute between the principals in the transaction, the contract shall have that provision clearly titled "ARBITRATION OF DISPUTES."

If a provision for binding arbitration is included in a printed contract, it shall be set out in at least 8-point bold type or in contrasting red in at least 8-point type, and if the provision is

included in a typed contract, it shall be set out in capital letters.

(b) Whenever any contract or agreement between principals and agents in real property sales transactions, including listing agreements, as defined in Section 1086 of the Civil Code, contains a provision requiring binding arbitration of any dispute between the principals and agents in the transaction, the contract or agreement shall have that provision clearly titled "ARBITRATION OF DISPUTES."

If a provision for binding arbitration is included in a printed contract, it shall be set out in at least 8-point bold type or in contrasting red in at least 8-point type, and if the provision is included in a typed contract, it shall be set out in capital letters.

(c) Immediately before the line or space provided for the parties to indicate their assent or nonassent to the arbitration provision described in subdivision (a) or (b), and immediately following that arbitration provision, the following shall appear:

"NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

If the above provision is included in a printed contract, it shall be set out either in at least 10-point bold type or in contrasting red print in at least 8-point bold type, and if the provision is included in a typed contract, it shall be set out in capital letters.

(d) Nothing in this section shall be construed to diminish the authority of any court of competent jurisdiction with respect to real property transactions in areas involving court supervision or jurisdiction, including, but not limited to, probate, marital dissolution, foreclosure of liens, unlawful detainer, or eminent domain.

(e) In the event an arbitration provision is contained in an escrow instruction, it shall not preclude the right of an escrowholder to institute an interpleader action.

SEC. 2. This act shall become operative on July 1, 1989.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the notice provisions effected by this act give the most readable notice to the public and in order to ensure that the changes made by this act take effect at the same time as Chapter 881 of the Statutes of 1988, it is necessary that this act take effect immediately.

CHAPTER 23

An act to amend Section 12502 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1989 Filed with Secretary of State May 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 12502 of the Vehicle Code is amended to read:

12502. (a) The following persons may operate a motor vehicle in this state without obtaining a driver's license under this code:

(1) A nonresident over the age of 18 years having in his or her immediate possession a valid driver's license issued by a foreign jurisdiction of which he or she is a resident, except as provided in Section 12505.

(2) A nonresident having in his or her immediate possession a valid driver's license, issued by the Diplomatic Motor Vehicle Office of the Office of Foreign Missions of the United States Department of State, for the type of motor vehicle or combination of vehicles that the person is operating.

(b) Any person entitled to the exemption contained in subdivision (a), while operating, within this state, a commercial vehicle, as defined in subdivision (b) of Section 15210, or a vehicle otherwise requiring a class 1 or 2 driver's license, shall have in his or her possession a current medical certificate of a type described in subdivision (c) of Section 12804, which has been issued within two years of the date of operation of that vehicle.

(c) The department shall report to the Legislature by January 15, 1990, and by January 15 of each year thereafter, regarding the frequency of violations and reportable accidents by holders of the licenses described in paragraph (2) of subdivision (a). In preparing the report, the department shall use information, as available, from its own files, and from the Department of the California Highway

Patrol, local law enforcement agencies, and the Diplomatic Motor Vehicle Office of the Office of Foreign Missions of the United States Department of State.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act will eliminate an unnecessary requirement regarding driver's license requirements for persons who possess a valid diplomatic driver's license and will have the effect of promoting safer driving by those persons. In order to achieve its intended results at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 24

An act to amend Sections 7202.5 and 7202.6 of, and to repeal and add Section 7200.1 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 25, 1989 Filed with Secretary of State May 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7200.1 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 7200.1 is added to the Revenue and Taxation Code, to read:

7200.1. As used in this part, "redevelopment agency" means a redevelopment agency created within a city pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, and as defined in Section 33003 of the Health and Safety Code.

SEC. 3. Section 7202.5 of the Revenue and Taxation Code is amended to read:

7202.5. In addition to the provisions set forth in subparagraphs (A) to (H), inclusive, of paragraph (8) of subdivision (a) of Section 7202, a city sales and use tax ordinance may provide that any person subject to a sales and use tax under the city's ordinance shall be entitled to credit against the payment of taxes due under that ordinance the amount of sales and use taxes due to the redevelopment agency of the city pursuant to Section 7202.6.

SEC. 4. Section 7202.6 of the Revenue and Taxation Code is amended to read:

7202.6. (a) The redevelopment agency of any city which has adopted a sales and use tax ordinance pursuant to this part and

containing the provision described in Section 7202.5 may adopt a sales and use tax ordinance in accordance with the provisions of this part, provided the redevelopment agency sales and use tax is levied under an ordinance including the following provisions:

(1) A provision imposing a tax for the privilege of selling tangible personal property at retail upon every retailer in the project area at the rate of 1 percent or less of the gross receipts of the retailer from the sale of all tangible personal property sold by that person at retail in the project area, and a use tax of 1 percent or less of purchase price upon the storage, use or other consumption of tangible personal property purchased from a retailer for storage, use or consumption in the project area. The rate of tax imposed by the ordinance shall not exceed the rate of tax imposed by the city ordinance.

(2) Provisions identical to those contained in Part 1 (commencing with Section 6001), insofar as they relate to sales and use taxes, except that the name of the redevelopment agency as the taxing agency shall be substituted for that of the state (but the name of the redevelopment agency shall not be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 nor in the definition of that phrase in Section 6203) and that an additional seller's permit shall not be required if one has been or is issued to the seller under Section 6067.

(3) A provision that all amendments subsequent to the effective date of the enactment of Part 1 (commencing with Section 6001) relating to sales and use tax and not inconsistent with this part, shall automatically become a part of the sales and use tax ordinance of the agency.

(4) A provision that the agency shall contract prior to the operative date of the agency sales and use tax ordinance with the State Board of Equalization to perform all functions incident to the administration or operation of the sales and use tax ordinance of the agency which shall continue in effect so long as the county and the city within which the agency is located have operative sales and use tax ordinances enacted pursuant to this part.

(5) A provision that the storage, use or other consumption of tangible personal property, the gross receipts from the sale of which has been subject to sales tax under a sales and use tax ordinance enacted in accordance with this part by any city and county, county, city or redevelopment agency in this state, shall be exempt from the tax due under this ordinance.

(6) A provision that the amount subject to tax shall not include the amount of any sales tax or use tax imposed by the State of California upon a retailer or consumer.

(7) A provision that there are exempted from the computation of the amount of the sales tax the gross receipts from the sale of tangible personal property to operators of aircraft to be used or consumed principally outside the project area and the city in which the sale is made and directly and exclusively in the use of that aircraft as common carriers of persons or property under the authority of the

laws of this state, the United States, or any foreign government.

(8) A provision that, in addition to the exemptions provided in Sections 6366 and 6366.1, the storage, use, or other consumption of tangible personal property purchased by operators of aircraft and used or consumed by those operators directly and exclusively in the use of that aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government is exempt from the use tax.

(b) The ordinance shall contain an enacting clause which states as follows: "The redevelopment agency of the City of _____ does ordain as follows:" The ordinance shall be signed by the chairman of the agency and attested by the clerk or secretary of the agency, and shall take effect immediately upon its final passage. However, the ordinance shall become operative on the first day of the first calendar quarter commencing more than 180 days after adoption of the ordinance. In all other respects, the ordinance shall be introduced and passed, and notice given by publication, in the manner provided by law for the city. A redevelopment agency whose governing body is other than the city council shall not adopt an ordinance pursuant to this section unless the city council has first adopted a resolution consenting to the adoption of the ordinance by the agency.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for uniform application of an important redevelopment financing tool and to ensure the feasibility of certain necessary public projects about to be implemented in cities where the members of the governing body of the redevelopment agency are not also members of the city council, it is necessary that this act go into immediate effect.

CHAPTER 25

An act to amend Section 35331 of the Education Code, relating to schools.

[Approved by Governor May 25, 1989 Filed with Secretary of State May 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 35331 of the Education Code is amended to read:

35331. (a) The governing board of any school district conducting excursions and field trips pursuant to this article shall provide, or make available, medical or hospital service, or both, for pupils of the

district injured while participating in any excursion or field trip under the jurisdiction of, or sponsored or controlled by, the district or the authorities of any school of the district.

(b) (1) The medical or hospital service, or both, described in subdivision (a) shall be provided, or made available, through any of the following:

(A) One or more nonprofit membership corporations defraying the cost of medical or hospital service, or both.

(B) One or more group, blanket, or individual policies of accident insurance from an authorized insurer.

(C) A self-insurance program of the school district.

(2) The cost incurred by the school district pursuant to this subdivision may be paid from the funds of the district, or by the insured pupil or his or her parent or guardian.

(3) The membership may be taken in, or the insurance may be purchased from, only those corporations or insurers that are authorized to do business in this state. If the coverage described in this subdivision is to be provided through a self-insurance program of the school district, claims may be paid from a fund established for that purpose pursuant to Section 39602.

CHAPTER 26

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1989 Filed with Secretary of State May 26, 1989]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the following memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organization on the date listed below, which requires the expenditure of funds, is hereby approved for the purposes of Section 3517.6 of the Government Code: Unit 1-California State Employees' Association, dated March 8, 1989.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. Any provision in the memorandum of understanding approved by this act which requires the expenditure of funds shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. In the event that funds for these provisions are not specifically appropriated by the Legislature, all or

any part of the memorandum of understanding may be declared null and void by any affected employee organization.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable for the entire 1989–90 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 27

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1989 Filed with Secretary of State May 26, 1989]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the following memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organization on the date listed below, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

Unit 17 - California State Employees' Association, dated January 19, 1989.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. Any provision in a memorandum of understanding approved by any section of this act, and which requires the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. In the event that funds for these provisions are not specifically appropriated by the Legislature, all or any part of the memorandum of understanding may be declared null and void by any affected employee organization.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1988–89 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 28

An act to amend Section 12472 of the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1989 Filed with Secretary of State May 26, 1989.]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature, in enacting this act, to allow employee organizations to negotiate varying types of payroll periods for the employees they represent, including monthly, semimonthly, and biweekly. This act makes no change in the existing payroll periods unless agreed to in negotiations between an employee organization and the state employer.

SEC. 2. Section 12472 of the Government Code is amended to read:

12472. The uniform state payroll system may provide for the fixing of staggered payroll periods, and designated days of the month on which permanent monthly salaried employees shall be paid for the preceding payroll period. These pay dates shall not be more than 10 calendar days following the close of the payroll period for monthly salaried employees and not more than 15 calendar days following the close of the payroll period for semimonthly and biweekly payroll systems. No change shall be made pursuant to this section in the existing payroll periods of a bargaining unit unless the change is authorized or approved in the memorandum of understanding for that unit.

SEC. 3. The provisions of the following memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organization on the date listed below, which requires the expenditure of funds, is hereby approved for the purposes of Section 3517.6 of the Government Code:

Unit 9—Professional Engineers in California Government, dated March 9, 1989.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 5. Any provision in the memorandum of understanding approved by this act and which requires the expenditure of funds shall not take effect unless funds for these provisions are specifically

appropriated by the Legislature. In the event that funds for these provisions are not specifically appropriated by the Legislature, all or any part of the memorandum of understanding may be declared null and void by any affected employee organization.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1988–89 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 29

An act to amend Section 7042.1 of the Business and Professions Code, relating to public utilities.

[Approved by Governor May 30, 1989. Filed with Secretary of State May 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7042.1 of the Business and Professions Code is amended to read:

7042.1. (a) Notwithstanding any other provisions of this chapter, gas, heat, or electrical corporations and their subsidiaries that are regulated as public utilities by the Public Utilities Commission shall not conduct work for which a contractor's license is required, except under any one or more of the following conditions:

(1) The work is performed upon the gas, heat, or electrical corporation's properties.

(2) The work is performed through a contract with a contractor or contractors licensed pursuant to this chapter or the work is performed for low-income citizens pursuant to a program authorized by order of the Public Utilities Commission.

(3) The work is undertaken by the gas, heat, or electrical corporation in furtherance of the generation, transmission, or distribution of electricity, gas, or steam, whether within or without the service area of the corporation, if any work performed within a structure and beyond a customer's utility meter is necessary to protect the public safety or to avoid interruption of service.

(4) The work is otherwise exempt from the provisions of this chapter.

(5) The work is performed to comply with programs or procedures ordered or authorized by the Public Utilities Commission not inconsistent with the objectives expressed in Chapter 984 of the Statutes of 1983.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Gas, heat, or electrical corporation properties" means properties which a gas, heat, or electrical corporation owns or leases, or over which it has been granted an easement for utility purposes, or facilities which a gas, heat, or electrical corporation owns or operates for utility purposes.

(2) "Subsidiaries" means subsidiaries of a gas, heat, or electrical corporation regulated as public utilities by the Public Utilities Commission which carry out activities solely for utility purposes.

(c) It is the intention of the Legislature in enacting this section that public utility regulations be clearly based on the principle that the energy conservation industry should be allowed to develop in a competitive manner, as declared in Chapter 984 of the Statutes of 1983.

CHAPTER 30

An act relating to local planning, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1989 Filed with Secretary of State May 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the County of San Bernardino has not as yet adopted a complete, and adequate general plan as required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code; that the county has made substantial progress toward the completion of an adequate general plan by appropriating sufficient funds, hiring staff, and exhausting the remedies provided by Section 65361 of the Government Code; that hearings on the general plan have been in progress since January 24, 1989, before the Planning Commission, and since April 3, 1989, before the board of supervisors, that local review procedures require an extended public review process which has resulted in delaying the decision by the legislative body, and that there are so many requests from all segments of the public for additional time to review, and comment on the plan that it is doubtful that the needs, and demands of the public in this regard can be met prior to the current deadline for plan adoption of May 4, 1989.

SEC 2. Notwithstanding the time limits imposed by Sections 65302 and 65361 of the Government Code, the Director of Planning and Research shall grant the County of San Bernardino an extension of time to July 5, 1989, for the preparation and adoption of a complete, and adequate general plan. The purpose of this section is to permit the County of San Bernardino to continue to review and

approve development proposals pending adoption of a complete and adequate general plan, pursuant to the conditions imposed on the county by the Office of Planning and Research on May 2, 1988.

SEC. 3. During the extension of time specified in this act, the County of San Bernardino is not subject to the requirement that a complete and adequate general plan be adopted, the requirement that it be adopted within a specific period of time, or the requirements of state law that its decisions be consistent with the general plan. The County of San Bernardino shall comply with all other state laws.

SEC. 4. During the extension of time specified in this act, the County of San Bernardino shall comply with conditions imposed on the county by the Office of Planning and Research on May 2, 1988, which the Legislature finds are necessary to ensure full compliance with the purposes and intent of the Planning, and Zoning Law (Title 7 (commencing with Section 65000) of the Government Code).

SEC. 5. Sections 1 to 4, inclusive, of this act shall become operative May 3, 1989.

SEC. 6. This act shall remain in effect only until July 5, 1989, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 5, 1989, deletes or extends that date.

SEC. 7. The Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution due to the following unique circumstances:

Because of conditions in the County of San Bernardino which do no exist in other counties, the environmental and public reviews required for the draft planning documents under consideration by the County of San Bernardino are not finished and more time is needed to permit public review and comment, and to complete them.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, and safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Despite ongoing and continued effort to meet the current deadline for adoption of a general plan by May 4, 1989, the County of San Bernardino cannot do so and at the same time accede to demands from many segments of the public for more time to review, and comment on the plan. Because members of the public should be given full opportunity to review, and comment on a public which will have such a significant and long-lasting effect on the environment in which they live, it is necessary that this act take effect immediately.

CHAPTER 31

An act to amend Section 74950 of the Water Code, relating to water conservation districts.

[Approved by Governor May 30, 1989 Filed with Secretary of State May 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 74950 of the Water Code is amended to read:

74950. The district may issue negotiable promissory notes bearing interest at a rate not exceeding 7 percent per annum. The notes shall be general obligations of the district payable from revenues and assessment taxes, unless paid from other available funds of the district, in the same manner as bonds of the district. The maturity of the notes shall not be later than five years from the date thereof and the total aggregate amount of the notes outstanding at any one time shall not exceed the lesser of 2 percent of the assessed valuation of the taxable property in the district, according to the last assessment roll or five million dollars ($5,000,000), except that a district which has been formed for less than 18 months may borrow not exceeding twenty-five thousand dollars ($25,000).

CHAPTER 32

An act to amend Section 5 of, and to add Section 5.3 to, the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to county water authorities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1989 Filed with Secretary of State May 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5 of the County Water Authority Act (Chapter 545 of the Statutes of 1943) is amended to read:

Sec. 5. Any authority shall have power:

(1) To have perpetual succession.

(2) To sue and be sued in all actions and proceedings and in all courts and tribunals of competent jurisdiction.

(3) To adopt a corporate seal and alter it at pleasure.

(4) To take by grant, purchase, bequest, devise or lease, and to hold, enjoy, lease, or sell or otherwise dispose of, any and all real and personal property of any kind within or without the authority and within and without the state necessary or convenient to the full

exercise of its powers; also to acquire, construct or operate, control, and use any and all works, facilities, and means necessary or convenient to the exercise of its powers, both within and without the authority, and within and without the state, and to do and perform any and all things necessary or convenient to the full exercise of the powers granted in this act.

(5) To exercise the power of eminent domain to take any property necessary to the exercise of the powers granted in this act.

(6) To construct and maintain works and establish and maintain facilities across or along any public street or highway and in, upon, or over any vacant public lands which are now, or may become, the property of the State of California; provided that the authority shall promptly restore the street or highway to its former state of usefulness as nearly as may be, and shall not use the same in such a manner as to completely or unnecessarily impair the usefulness thereof. The grant of the right to use the vacant state lands shall be effective upon the filing by the authority with the Division of State Lands, of an application showing the boundaries, extent, and locations of the lands, rights-of-way, or easements desired for those purposes. If the land, rights-of-way, or easement for which application is made is for the construction of any aqueduct, ditch, pipeline, conduit, tunnel, or other works for the conveyance of water, or for roads, or for poles, or towers and wires for the conveyance of electrical energy or for telephonic or telegraphic communication, no compensation shall be charged the authority therefor, unless, in the opinion of the Chief of the Division of State Lands the construction of the works will render the remainder of the legal subdivision through which the works are to be constructed valueless or unsalable, in which event the authority shall pay for the lands to be taken and for that portion of any legal subdivision which, in the opinion of the Chief of the Division of State Lands, are rendered valueless or unsalable. If the lands for which application is made are for purposes other than the construction of roads or for works for the conveyance of water, or electricity, or telephonic or telegraphic communication, the authority shall pay to the state for the lands at the reasonable rate determined by the Division of State Lands. Upon filing the application, accompanied by map or plat showing the location or proposed location of the works or facilities, the fee title to so much of those state lands as shall be found by the Chief of the Division of State Lands to be necessary or convenient to enable the authority to construct or maintain its works or to establish or maintain its facilities, shall be conveyed to the authority by patent executed by the Governor of the State of California, attested by the Secretary of State with the Great Seal of the state affixed, and countersigned by the Registrar of State Lands; if an easement or right-of-way only over the lands be sought by the authority, that easement or right-of-way shall be evidenced by permit or grant executed by the Chief of the Division of State Lands. The Chief of the Division of State Lands may reserve in the patents,

grants, or permits, easements and rights-of-way across any lands therein described for the construction of streets, roads, and highways. Before the patent, grant, or permit shall be executed any compensation due to the state under this section shall be paid. If the duties or titles of any of the officers mentioned are changed by lawful authority, the functions required to be performed shall be performed by the appropriate officer or officers of the State of California. No fee shall be exacted from the authority for any patent, permit, or grant so issued or for any service rendered hereunder. In the use of streets or highways, the authority shall be subject to the reasonable rules and regulations of the governmental agency in charge thereof, concerning excavations and the refilling of excavations, and the relaying of pavements and the protection of the public during periods of construction; provided that the authority shall not be required to pay any license or permit fees or file any bonds. The authority may be required to pay reasonable inspection fees.

(7) To borrow money and incur indebtedness and to issue bonds or other evidence of that indebtedness; provided, however, that no authority shall incur indebtedness which, in the aggregate, exceeds 15 percent of the taxable property of the authority as shown by the last equalized assessment roll of the county in which the authority is located.

(8) To levy and collect taxes for the purpose of carrying on the operations and paying the obligations of the authority; provided, however, that the taxes levied under this section exclusive of any tax levied to meet the bonded indebtedness of the authority and the interest thereon and exclusive of any tax levied to meet any obligation to the United States of America or to any board, department, or agency thereof, shall not exceed five cents ($0.05) on each such one hundred dollars ($100) of assessed valuation.

(9) To enter into contracts, employ and retain personal services, and employ laborers; to create, establish, and maintain such offices and positions as shall be necessary and convenient for the transaction of the business of the authority, and to elect, appoint, and employ such officers, attorneys, agents, and employees therefor as shall be found by the board of directors to be necessary and convenient for the transaction of the business of the authority.

(10) To join with one or more other public corporations for the purpose of carrying out any of its powers, and for that purpose to contract with the other public corporation or corporations for the purpose of financing the acquisitions, constructions, and operations. The contracts may provide for contributions to be made by each party thereto and for the division and apportionment of the expenses of the acquisitions and operations, and the division and apportionment of the benefits, the services, and products therefrom. The contracts may contain such other and further covenants and agreements as may be necessary and convenient to accomplish the purposes hereof. The term "public corporation" as used in this subdivision includes the United States or any public agency thereof

or this or any other state or any political district, subdivision, or public agency thereof.

(11) To acquire water and water rights within or without the state; to develop, store, and transport that water; to provide, sell, and deliver water for beneficial uses and purposes; and to provide, sell, and deliver water of the authority not needed or required for beneficial purposes by any public agency, the corporate area of which is included in the authority, to areas outside the boundaries of the authority; provided, that the supplying of that water shall, in every case, be subject to the paramount right of the authority to discontinue the same, in whole or in part, whenever it shall so determine by resolution adopted by the board of directors. The board of directors, as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs. If available supplies become inadequate to fully meet the needs of its member agencies, the board shall adopt reasonable rules, regulations, and restrictions so that the available supplies are allocated among its member agencies for the greatest public interest and benefit

(12) To acquire, store, treat, reclaim, reuse, distribute, and sell sewage, waste, and sea waters for beneficial uses and purposes.

(13) To fix, revise, and collect rates or other charges for the delivery of water, use of any facilities or property, or provision of services. In fixing rates the board may establish reasonable classifications among different classes and conditions of service, but rates shall be the same for similar classes and conditions of service.

(14) To cooperate and contract with the United States under the Federal Reclamation Act of June 17, 1902, and all acts amendatory thereof or supplementary thereto, or any other act of Congress heretofore or hereafter enacted authorizing or permitting that cooperation, for the purposes of construction of works, necessary or proper for carrying out the purposes of the authority, or for the acquisition, purchase, extension, operation or maintenance of constructed works, or for a water supply, or for the assumption as principal or guarantor of indebtedness to the United States; also to borrow or procure money from the United States, or any agency thereof for the purpose of financing any of the operations of the authority.

SEC. 2. Section 5.3 is added to the County Water Authority Act (Chapter 545 of the Statutes of 1943), to read:

Sec. 5.3. (a) On or before the 15th day of December of each year, the governing body of each member public agency may elect to pay out of its funds available for that purpose, other than funds derived from ad valorem taxes, all or any portion of the amount of standby charges which would otherwise be levied upon parcels of land within that public agency for the following fiscal year.

(b) If that election is made, the member agency shall promptly notify the controller of the authority of that fact by causing personal delivery to be made of a certified copy of the action taken by the

governing body, together with a financial statement showing its financial condition, and the source of funds and revenues to be used to make the in lieu cash payments.

(c) If the authority fixes standby charges pursuant to Section 5.2, it shall also determine the total amount to be fixed against all parcels of land in each member public agency. The authority shall specify in the ordinance fixing the standby charges the cash payment elected by each member agency to be made pursuant to subdivision (a) and cause the balance, if any, to be levied and collected against the parcels of land in that member public agency.

(d) Each member agency which makes the election shall pay the full amount due in cash installments at the times and in the proportionate amounts as established by the authority, pursuant to subdivision (d) of Section 9, for in lieu cash payments of ad valorem property taxes.

(e) Any cash payments made in avoidance of standby charges are hereby declared to be for a public purpose and shall not be deemed gratuitous or in the nature of gifts, but shall be deemed to be payments for water or services in connection with the distribution of water.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit member public agencies of a county water authority to elect to make cash payments in lieu of the levy of standby charges by the county authority within the member public agency and thereby equitably finance urgently needed water projects at the earliest possible time, and to provide as soon as possible for the allocation of inadequate water supplies in the public interest, it is necessary that this act take effect immediately.

CHAPTER 33

An act to amend Section 35541 of, to add an article heading immediately after the heading of Chapter 2.75 (commencing with Section 35540) of Part 5 of Division 13 of, and to add Article 2 (commencing with Section 35554) to Chapter 2.75 of Part 5 of Division 13 of, the Water Code, relating to water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1989 Filed with Secretary of State May 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. An article heading is added immediately after the heading of Chapter 2.75 (commencing with Section 35540) of Part 5

of Division 13 of the Water Code, to read:

Article 1. Plan of Water Allocation

SEC. 2. Section 35541 of the Water Code is amended to read:

35541. (a) As an alternative to, and in addition to, the methods in this division provided for the apportionment of water, the district may adopt a plan of water allocation which may include a provision that the holders of title to lands within a designated area of the district, not at the time receiving delivery of water purchased by the district under long-term contract with the Kern County Water Agency by means of district-provided facilities, shall have no right in the future to have allocated to them, as the holders of title to lands within the designated area, any part of the water which will thereafter be made available to the district under contracts between the district and the Kern County Water Agency in effect at the time of approval of the plan. The plan shall provide that the lands within that designated area of the district shall not thereafter be assessed by the district, or by the Board of Supervisors of the County of Kern on behalf of the district, for the purpose of providing funds to pay any part of the district's obligation to the Kern County Water Agency under contracts between the district and that agency in effect at the time of approval of the plan or for the purpose of providing funds to pay either the principal of bonds or interest on bonds of the district sold after approval of the plan, excepting, however, bonds sold for the purpose of providing funds to construct irrigation works wholly or partially for the benefit of the designated area.

(b) No such plan shall affect the power of the Kern County Water Agency to levy a tax or assessment pursuant to Section 11652 or to levy assessments under the provisions of the Kern County Water Agency Act (Chapter 1003 of the Statutes of 1961, as amended) against all lands within the district nor shall any such plan constitute or be given effect as a limitation upon the power of any bondholder or other creditor of the district to enforce rights existing at the time of approval of the plan.

(c) The plan shall provide that for so long as the lands within the designated area receive no benefits from the district, they shall not be assessed for district purposes, except to the extent required to pay principal of bonds and interest on bonds of the district sold prior to approval of the plan. The plan may provide for relief from the payment of principal of bonds and interest on bonds sold prior to the approval of the plan if the district makes other adequate provision for the payment thereof.

(d) The plan may further provide that the holders of title to lands within the designated portion of the district shall have the right to purchase from the district, from time to time, as the same is available to the district, water which the district may acquire, other than under long-term contract between the district and the Kern County Water Agency in effect at the time of approval of the plan, at a cost

which shall not include in its computation any part of the district's obligation to pay for contract entitlement water under long-term contract between the district and the Kern County Water Agency in effect at the time of the approval of the plan, but which shall include a pro rata share of the cost of district administration.

SEC. 3. Article 2 (commencing with Section 35554) is added to Chapter 2.75 of Part 5 of Division 13 of the Water Code, to read:

Article 2. Water Service Contracts

35554. An alternative to, and in addition to, other methods contained in this division regarding the apportionment of water, the district may enter into long-term water service contracts with the holders of title to land for the apportionment of all or any part of its water supply. Long-term water service contracts may provide that all water charges provided for, when due, are a lien on the land in the nature of assessments and may be collected and enforced in the manner provided in this division for the collection and enforcement of assessments. Any such lien shall have the same force, effect, and priority as an assessment lien if the contract is recorded in the office of the county recorder in the county in which the land is situated.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is urgent that the district be authorized to enter into long-term water service contracts with holders of title to land in the district before June 1, 1989, so that State Water Project water can be delivered thereunder commencing January 1, 1990, thereby enhancing the financial stability of the district and encouraging the most reasonable and beneficial use of water. It is necessary therefore, that this act take effect immediately.

CHAPTER 34

An act to amend Section 50668.5 of the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 31, 1989 Filed with Secretary of State May 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 50668.5 of the Health and Safety Code is amended to read:

50668.5. For the purpose of providing financial assistance pursuant to this chapter utilizing bond proceeds transferred to the

Housing Rehabilitation Loan Fund pursuant to paragraph (2) of subdivision (a) of Section 53130 and paragraph (2) of subdivision (b) of Section 53130 and Sections 8878.20 and 8878.21 of the Government Code, deferred payment loans made with these funds shall be subject to all of the following special provisions, which shall prevail over conflicting provisions of this chapter:

(a) (1) Applications for fund commitments shall be accepted by the department at any time. Fund commitments shall be based on a ranking of applications, which shall occur at least once every three months until there are insufficient funds available to commit according to this ranking. In making this ranking for rental housing developments, priority shall be given to those projects which (A) serve the greater number of eligible households as defined in Section 50105 with the lowest incomes, (B) provide the greater number of units with three or more bedrooms, (C) are located in areas where the housing need is great as determined by the department, taking into consideration, among other factors, low vacancy rates, high market rents, long waiting lists for subsidized housing, the stock of substandard housing, and the potential loss of subsidized rental housing to market-rate housing through demolition, foreclosure, or subsidy termination, (D) complement the implementation of an existing housing program, (E) maximize private local and other funding sources, and (F) maximize long-term benefits for eligible households, as defined in Sections 50079.5 and 50105. Subparagraph (B) above shall not apply to applications for fund commitments submitted pursuant to Section 50670 or to any application for residential hotels, motels, group or congregate homes, and projects for the disabled submitted pursuant to paragraph (1) of subdivision (a) of Section 50661. In making this ranking for owner-occupied housing, priority shall be given to those applications which (A) serve the greater number of eligible households, as defined in Section 50105, with the lowest income, (B) provide the greater number of units with three or more bedrooms, (C) are located in areas where the need for rehabilitation is great as determined by the department, taking into consideration, among other factors, the amount of substandard owner-occupied housing, low vacancy rates, and limited availability of affordable housing, (D) complement the implementation of an existing housing program, and (E) maximize available and appropriate private, local, and other funding sources. The department shall also evaluate the capability of the sponsor to rehabilitate, own, and manage the rental housing development or the capability of the applicant for funding for owner-occupied housing to implement the proposed program.

(2) Loans for rental housing developments may be reviewed, approved, and funded by the department directly to the sponsor. In these cases, the department shall ensure that the sponsor notifies the local legislative body of the sponsor's loan application prior to a funding award. Loans to owner-occupants may be made by local public entities or nonprofit corporations which have received fund

commitments from the department. When the department certifies a local public entity or nonprofit corporation as being capable of making these loans, the department shall delegate responsibility for reviewing and approving these loans to the local public entity or nonprofit corporation.

(3) A sponsor may apply for loans for one or more rental housing developments.

(b) (1) A housing development may utilize any combination of federal, state, local, and private financial resources necessary to make the development affordable, for the term of the state's regulatory agreement, to the eligible households. Notwithstanding the requirements of Section 50663, rental housing developments and owner-occupied units assisted by the program may be located anywhere in the state.

(2) In the case of nonprofit sponsors, loans for rental housing developments, when combined with other indebtedness against the property shall not exceed 100 percent of the after-rehabilitation value of the property, as determined by an appraisal of the property conducted pursuant to guidelines established in regulations of the department.

(3) The maximum loan amounts per unit established in regulations pursuant to Section 50670 shall also apply to rental housing developments rehabilitated or acquired and rehabilitated pursuant to paragraph (1) of subdivision (a) of Section 50661, except that there shall not be a maximum loan amount established per project. These dollar limitations may be increased by the department, as necessary, in high-cost areas of the state or where the correction of severe health and safety defects or the provisions of handicapped accessibility standards necessitate greater assistance.

(4) (A) Loans made to sponsors of rental housing developments for acquisition and rehabilitation shall be for terms of not less than 30 years. Loans made to sponsors of rental housing developments for rehabilitation only shall be for terms of not less than 20 years. However, the term shall not exceed the useful life of the rental housing development for which the loan is made. The sponsor may elect to begin to repay the loan at any time in accordance with the prepayment plan established in accordance with paragraph (6), if it is determined by the department, that the sponsors can continue to maintain the rents at levels affordable to eligible households.

(B) The term of the loan and the time for repayment may be extended by the department for additional 10-year terms as long as the rental housing development is operated in a manner consistent with the regulatory agreement and the sponsor requires an extension in order to continue to operate in a manner consistent with this chapter.

(5) (A) In the case of loans made for rental housing developments, eligible costs shall include those costs relating to (i) real property acquisition, including refinancing of existing debt to the extent necessary to reduce debt service to a level consistent with

the provision of affordable rents and the fiscal integrity of the project; (ii) rehabilitation or reconstruction, including the conversion of nonresidential structures to residential use; (iii) general property improvements which are necessary to correct unsafe, unhealthy, or unsanitary conditions, including renovations and remodeling, including, but not limited to, remodeling of kitchens and bathrooms, installation of new appliances, landscaping, and purchase or installation of central air conditioning; (iv) necessary and related onsite improvements; (v) reasonable administrative expenses in connection with the planning and execution of the project, as determined by the department; (vi) reasonable consulting costs; (vii) rent-up costs; (viii) seismic rehabilitation improvements; and (ix) any other costs of rehabilitation authorized by the department. "Rent-up costs," as used in this section, means costs incurred while a unit is on the housing market but not rented to its first tenant. "Seismic rehabilitation improvements," as used in this section, means improvements which are designed to increase seismic structural safety in accordance with a plan developed by a civil engineer, a structural engineer, or an architect for a particular building that has been identified as hazardous by the city or county in which the building is located in accordance with the criteria established by the Seismic Safety Commission pursuant to Section 8875.1 of the Government Code or in accordance with a previously adopted city or county seismic safety ordinance adopted pursuant to Section 19163.

(B) In the case of loans made for owner-occupied housing, eligible costs shall include those costs relating to (i) rehabilitation work expenses; (ii) cost of room additions necessary to alleviate overcrowding; (iii) costs of general property improvements including renovations and remodeling, including, but not limited to, remodeling of kitchens and bathrooms, installation of new appliances, landscaping and purchase or installation of central air conditioning, to the extent that they are necessary to correct unsafe, unhealthy, or unsanitary conditions; (iv) costs related to necessary architectural, engineering, and other technical consultants; (v) costs of preliminary reports, title policies, credit reports, appraisal reports, and fees for recording documents related to the department's loans; and (vi) costs of building permits and other government fees.

(C) Notwithstanding the provisions of Section 53130 which limit the use of allocated proceeds with respect to project operating costs, and Section 53133, the department may set aside or use any amounts available in the fund to establish a default reserve for the purpose of curing or avoiding a sponsor's defaults on the terms of any loan or other obligation which jeopardizes the financial integrity of a rental housing development or the department's security in the rental housing development. The payment or advance of funds by the department pursuant to this subparagraph shall be solely within the discretion of the department and no sponsor shall be entitled to or

have any right to payment of these funds. Funds advanced pursuant to this subparagraph shall be added to the loan amount secured by the deed of trust and shall be payable to the department upon demand.

(6) Upon request of the sponsor, the department may permit repayment of a sponsor's loan on the basis of net cash flow. The department shall develop a prepayment plan in conjunction with the sponsor which will ensure the maintenance of affordable rents and the fiscal integrity of the rental housing development. As an incentive to encourage the prepayment of loans, the department may permit the sponsor to retain one-half of the net cash flow. The department shall determine the method for calculating net cash flow, which may include a factor for excess debt service coverage or a return on cash investment to the sponsor.

(7) If a loan is made pursuant to this chapter for both seismic rehabilitation improvements and other eligible rehabilitation costs, only those costs related to the seismic rehabilitation improvements shall be counted and included for purposes of the fund reservation made by Section 8878.20 of the Government Code.

(c) Principle and accumulated interest is due and payable upon completion of the term of the loan.

(1) "Maintain affordable rent levels," as used in this section, means rents may be automatically increased by the sponsor on an annual basis pursuant to an inflation index to be determined by the department. The inflation index shall reflect anticipated annual changes in rental housing development operating costs from a base year when the rents are initially established. Any sponsor may appeal to the department for a greater adjustment in rents necessary to ensure the fiscal integrity of the rental housing development. If the department does not respond within 60 days, the request shall be deemed approved. A 30-day written notice shall be given to each eligible household prior to an adjustment in the amount of rent.

(2) Upon prior written approval by the department, a sponsor may set income limits for incoming tenants at a level below the limit specified in Section 50079.5. If a tenant's income exceeds this income limit established by the sponsor, but does not exceed the limit specified in Section 50079.5, that fact alone shall neither constitute cause for the tenant's eviction, nor be a violation of the sponsor's loan agreement. If a tenant's income exceeds the income limit for a household specified in Section 50079.5, the tenant shall be required to vacate the assisted unit within six months from the date of income recertification or notice to the sponsor of an increase in income over the permissible income level. That period may be extended by the sponsor for an additional six-month period in high cost rental areas with low vacancy rates, as determined by the department. Any vacant units shall be rented to eligible households until the required residency by eligible households is attained.

In the case of limited equity housing cooperatives, the provisions of this paragraph shall apply, except that tenants whose incomes,

upon recertification, exceed the limit specified in Section 50079.5 shall not be required to vacate their units. Instead, and upon six months' notice, these tenants shall be required to pay rent in an amount equal to the market rate rent for comparable units, as determined by the department. When a tenant's income exceeds the limit specified in Section 50079.5, the next available membership share for occupancy in a comparable unit shall be sold to a household with an income at or below this limit.

(3) When operating income as defined by the department is greater than operating expenses, debt service, deposits required for reserve accounts, payments pursuant to paragraph (6) of subdivision (b) if elected by the sponsor, approved annual distributions, and any other disbursements approved by the department, these excess funds shall be paid into an account established in the fund. Funds in this account shall be appropriated to the department for use to assist rental housing developments funded pursuant to this section with proceeds of bonds issued pursuant to Chapter 27 of the Statutes of 1988, Chapter 30 of the Statutes of 1988, or Chapter 48 of the Statutes of 1988, subject to the following requirements:

(i) Excess funds in the account shall be allocated first into the default reserve established pursuant to subparagraph (C) of paragraph (5) of subdivision (b). The balance of this default reserve shall not exceed the maximum level of funding established by regulations adopted by the department.

(ii) After the default reserve is fully funded with these excess funds, the department shall use all additional excess funds in the account for payment of either unforeseen capital improvements, the cost of which would jeopardize the fiscal integrity and affordability of a rental housing development, or to further reduce rents in a rental housing development. The department may adopt regulations which specify the procedures and standards for application for, and use of, these funds. Those payments used for capital improvements shall be added to the loan amount secured by the deed of trust and shall be payable to the department upon demand.

(d) Prior to disbursement of any funds for loans to rental housing developments made pursuant to this section, the department shall enter into a regulatory agreement with the sponsor in accordance with subdivision (d) of Section 50670, except that (1) the term of the regulatory agreement shall be for the original term of the loan and the agreement shall be binding upon the sponsor and successors in interest upon sale or transfer of the rental housing development or prepayment of the loan and (2) a nonprofit sponsor, other than a governmental agency, may maintain a debt service coverage ratio of 115 percent and distribute earnings in an amount no greater than 8 percent of the nonprofit sponsor's actual investment. The regulatory agreement also shall contain provisions requiring annual inspections and review of year-end fiscal audits and related reports by the department and provisions to maintain affordable rent levels to serve eligible households.

(e) Where loans will be used in conjunction with federal or other housing assistance or tax credits and a conflict exists between the other state or federal program requirements and those of this chapter with respect to the calculation of rents, the requirements of the Deferred Payment Rehabilitation Loan Program and the Special User Housing Rehabilitation Program may be waived only to the extent necessary to permit federal or other state financial participation or eligibility for tax credits.

(f) "Sponsor," for purposes of this section, has the same meaning as defined in subdivision (c) of Section 50669.

(g) The department shall adopt emergency regulations to implement this chapter and to amend the maximum loan amounts per unit established in regulations adopted pursuant to Section 50670, with respect to loans made with funding subject to this section. The regulations shall be conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning or purposes of Section 11346.1 of the Government Code.

Notwithstanding conflicting provisions of this chapter, the department may elect to make these regulations additionally applicable until January 1, 1990, to all other deferred payment loan programs authorized by this chapter, except the programs specified in Sections 50662.5 and 50671, if the department determines that the uniformity achieved thereby will avoid significant additional administrative costs.

(h) For purposes of this section, "rental housing development" means a single family house or a multifamily structure or structures containing two or more dwelling units, including efficiency units. One or more of the dwelling units in a rental housing development shall be rented or leased or otherwise occupied as a primary residence by a person or household who is not the owner of the structure or structures. For the purposes of this section, motels operated pursuant to subdivision (b) of Section 50669, residential hotels, group or congregate homes, and limited equity housing cooperatives are rental housing developments. Except for motels, the limitations concerning types of residents and minimum number of units set forth in subdivision (b) of Section 50669 shall not apply.

(i) "Affordable rent" for the purposes of this section shall be established by the department in the regulations authorized by subdivision (g). However, the initial rents shall be established by the department based on a designated family size for each unit size, and those initial rents shall not exceed 30 percent of 50 percent of the area median income adjusted by that designated family size for units restricted to occupancy by very low income households; or 30 percent of 60 percent of area median income adjusted by that designated family size for units restricted to occupancy by low-income households.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement Proposition 77 approved by the voters on June 7, 1988, and Proposition 84 approved by the voters on November 8, 1988, by making bond moneys available in an expeditious manner, it is necessary that this act go into effect immediately.

CHAPTER 35

An act relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 31, 1989 Filed with Secretary of State May 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Approximately 1,500,000 persons in California have applied for legalization benefits pursuant to the Immigration Reform and Control Act of 1986 (P.L. 99-603).

(b) A majority of the 800,000 adults granted temporary resident status under Section 201 of the Immigration Reform and Control Act of 1986 (P.L. 99-603) is projected to need educational services to meet specified English and citizenship requirements to qualify for permanent resident status.

(c) The projected participation in educational services by persons granted temporary resident status may exceed state budget assumptions for the 1988–89 fiscal year.

(d) Currently available federal funds targeted to cover future year expenditures may be used to cover current year costs in the event that the current year appropriation proves insufficient to establish and maintain needed services.

(e) The educational goal for permanent residents legalized pursuant to the Immigration Reform and Control Act of 1986 (P.L. 99-603) is the attainment of English skills, the understanding of United States history and government, and the attainment of occupational skills needed to be productive and fully participating United States citizens.

(f) It is the intent of the Legislature, to the extent federal and state funding is available, to support full funding for educational services to achieve the educational goals.

SEC. 2. It is the intent of the Legislature to ensure adequate education funding through the 1991–92 fiscal year under the State Legalization Impact-Assistance Grant program (Sec. 204, Immigration Reform and Control Act of 1986 (P.L. 99-603)) to ensure availability of classroom slots for legalization applicants for

permanent resident status.

SEC. 3. The sum of fifty million dollars ($50,000,000) is hereby appropriated to the State Department of Education from the funds available under the State Legalization Impact-Assistance Grant Program (Section 204, Immigration Reform and Control Act of 1986 (P.L. 99-603)) that are not appropriated as of the effective date of this act. The funds appropriated pursuant to this section shall be expended for the purposes specified in Section 2. The State Department of Education, in consultation with the Department of Finance and the office of the Legislative Analyst, shall develop a fair and equitable allocation of the funds provided in this section for reimbursement of claims in the 1988–89 fiscal year.

SEC. 4. It is the intent of the Legislature that federal funds appropriated for education services in the Governor's Budget for 1989 for the purposes specified in Section 2 be reduced in the Budget Act of 1989 by fifty million dollars ($50,000,000).

SEC. 5. (a) Priority students for State Legalization Impact Assistance Grant English and United States civics educational services shall be defined as: persons who are applicants for permanent residence pursuant to Section 245A of the Immigration Reform and Control Act of 1986 (P.L. 99-603), who score below a level of 215 on the standardized Comprehensive Adult Student Assessment System, or a correlative score on any other standardized literacy test approved by the Superintendent of Public Instruction or who have failed the legal proficiency test administered by the United States Immigration and Naturalization Service (INS) or its designated entities, and who have not demonstrated that they are "satisfactorily pursuing" English and United States civics, as defined in paragraph (s) of Part 245a.1 of Title 8 of the Code of Federal Regulations and do not qualify for any alternatives to demonstrating satisfactory pursuit other than enrolling in an adult education program.

(b) Until November 30, 1990, as a condition of receiving funds under the State Legalization Impact Assistance Grant (SLIAG) program, educational service providers shall maintain waiting lists of prospective students eligible under the SLIAG program identified by adjustment status pursuant to Sections 210 and 245A of the Immigration Reform and Control Act of 1986 (P.L. 99-603). The waiting list shall specify (1) each individual's status as to whether he or she entered the United States before January 1, 1982, or whether he or she is a special agricultural worker, (2) each individual's literacy test score upon assessment, and (3) whether the individual was previously enrolled for purposes of meeting INS requirements, qualifies for any alternatives to demonstrating satisfactory pursuit or has passed the legal proficiency test administered by the INS or its designated agencies, has failed the test, or has qualified for a certificate of satisfactory pursuit. In addition, at the end of each quarter or semester, including the summer quarter or semester, providers shall reenroll all SLIAG funded individuals, vacancies

permitting. At these times, or at any other time when a vacancy arises, providers shall enroll students based on the following priorities:

(1) Priority students scoring below 215 on the standardized Comprehensive Adult Student Assessment System, or a correlative score on another standardized literacy test approved by the Superintendent of Public Instruction, or who have failed an INS-approved proficiency test, in need of 60 hours of instruction in order to obtain a certificate of satisfactory pursuit and who do not qualify for any of the alternative means of demonstrating satisfactory pursuit.

(2) Students scoring 215 or above on the standardized Comprehensive Adult Student Assessment System, or a correlative score on another standardized literacy test approved by the Superintendent of Public Instruction who do not qualify for any of the alternative means of demonstrating satisfactory pursuit but who reside 50 miles or more from an INS test center and who are in need of 60 hours of instruction in order to obtain a certificate of satisfactory pursuit.

(3) Students scoring below 215 on the standardized Comprehensive Adult Student Assessment System, or a correlative score on another standardized literacy test approved by the Superintendent of Public Instruction who (A) have qualified for a certificate of satisfactory pursuit or (B) are special agricultural workers.

(4) Students scoring 215 or above on the standardized Comprehensive Adult Student Assessment System, or a correlative score on another standardized literacy test approved by the Superintendent of Public Instruction who were previously enrolled and are not in need of a certificate of satisfactory pursuit.

(5) Students scoring 215 or above on the standardized Comprehensive Adult Student Assessment System or a correlative score on another standardized literacy test approved by the Superintendent of Public Instruction who were not previously enrolled and who are not in need of a certificate of satisfactory pursuit.

Providers shall schedule future dates on which priority individuals on waiting lists can enroll and on which other students shall reenroll. Providers shall inform individuals on waiting lists of these dates at the time they are included on the list.

For any given quarter or semester, providers who certify to the Superintendent of Public Instruction that there are no priority students on their waiting lists are exempt from the reenrollment requirements for that quarter or semester.

If the State Department of Education has determined that a SLIAG funded education agency has provided over an average of 100 hours of instruction at the end of the first quarter or semester, and the provider has a waiting list with priority students subsequent to enrolling students for the next quarter or semester, the department

shall instruct the provider to reenroll all SLIAG funded students during the next quarter or semester once the average hours of instruction reaches 60 hours. Reenrollment shall be based on the priorities set forth in this subdivision.

The State Department of Education shall issue guidelines defining the maximum number of weeks allowable in a given quarter or semester.

It is the intent of the Legislature that educational service providers encourage individuals scoring above 210 on the Comprehensive Adult Student Assessment System or a correlative score on another standardized test approved by the Superintendent of Public Instruction to take the INS proficiency test before enrolling in adult education classes. The State Department of Education shall notify providers of this intent.

The provisions contained in this subdivision shall apply notwithstanding any other provision of the Education Code.

(c) On the effective date of this act, the State Department of Education shall direct all State Legalization Impact-Assistance Grant funded providers to do both of the following:

(1) Explain INS educational proficiency requirements with respect to Section 245A of the Immigration Reform and Control Act (P.L. 99-603) and the options available to students to satisfy those requirements.

(2) Within 30 days of a student's satisfaction of INS educational proficiency requirements, or within 30 days of the request of a student who has previously met INS educational proficiency requirements, issue evidence of the student's "satisfactory pursuit" of these requirements, as defined in paragraph (s) of Part 245a.1 of Title 8 of the Code of Federal Regulations.

SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure legalization applicants the services needed to adjust to permanent resident status and avoid reverting to undocumented status, it is necessary that this act take effect immediately.

CHAPTER 36

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1989 Filed with Secretary of State June 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the Bargaining Unit 6 memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the California Correctional Peace Officers' Association on January 24, 1989, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. Any provision in a memorandum of understanding approved by any section of this act, and which requires the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. In the event that funds for these provisions are not specifically appropriated by the Legislature, all or any part of the memorandum of understanding may be declared null and void by any affected employee organization.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1988–89 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 37

An act to amend Section 18015 of the Public Resources Code, relating to plastic containers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1989. Filed with Secretary of State June 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18015 of the Public Resources Code is amended to read:

18015. (a) All rigid plastic bottles and rigid plastic containers sold in California on and after January 1, 1992, shall be labeled with a code which indicates the resin used to produce the rigid plastic bottle or rigid plastic container. Rigid plastic bottles or rigid plastic containers with labels and basecups of a different material shall be coded by their basic material. The code shall consist of a number placed inside a triangle, and letters placed below the triangle. The triangle shall be equilateral, formed by three arrows with the apex of each point of the triangle at the midpoint of each arrow, rounded with a short radius. The pointer (arrowhead) of each arrow shall be at the midpoint of each side of the triangle with a short gap separating the pointer from the base of the adjacent arrow. The triangle, formed by the three arrows curved at their midpoints shall depict a clockwise path around the code number. The numbers and letters used shall be as follows:

1 = PETE (polyethylene terephthalate)
2 = HDPE (high density polyethylene)
3 = V (vinyl)
4 = LDPE (low density polyethylene)
5 = PP (polypropylene)
6 = PS (polystyrene)
7 = OTHER (includes multilayer)

(b) A "7" shall appear below the resin abbreviation when the bottle or container is composed of more than one layer of that resin.

(c) On and after January 1, 1989, the Division of Recycling of the Department of Conservation shall maintain a list of abbreviations used on labels pursuant to subdivision (a) and shall provide a copy of that list to any person upon request.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The code for polyethylene terephthalate, as contained in Section 18015 of the Public Resources Code, is in conflict with an existing trademark, and, since container manufacturers are required to code all applicable plastic containers on or before January 1, 1992, it is necessary that this act take effect immediately to provide sufficient time for compliance.

CHAPTER 38

An act making an appropriation for the payment of judgments and settlements against the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1989 Filed with Secretary of State June 8, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The sum of seven million six hundred twenty-five thousand dollars ($7,625,000) is hereby appropriated from the General Fund to the Secretary of the State Board of Control to pay judgments and settlement claims accepted by the State Board of Control. The Secretary of the State Board of Control shall reduce the allocation relating to the case of Flores v. Natividad by the amount of the Medi-Cal lien for payment to the claimant.

Funds appropriated by this section for payment of attorney fees pursuant to Section 1021.5 of the Code of Civil Procedure shall be expended only in accordance with the provisions of Items 9810-001-001, 9810-001-494, and 9810-001-988 of the Budget Act of 1988 (Chapter 313 of the Statutes of 1988).

SEC. 2. Any amounts in excess of the amount approved pursuant to Section 1 of this act shall revert to the General Fund on June 30, 1990.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay judgments and settlement claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 39

An act to amend Sections 13240, 13250, and 13278 of, and to repeal Sections 13224, 13225, and Chapter 5.3 (commencing with Section 13270) of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to refugees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1989 Filed with Secretary of State June 8, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 13224 of the Welfare and Institutions Code is repealed.

SEC. 2. Section 13225 of the Welfare and Institutions Code is repealed.

SEC. 3. Section 13240 of the Welfare and Institutions Code is amended to read:

13240. One year after the commencement of the implementation of this section, and annually thereafter for a total of four reports, the department shall submit a report to the Legislature evaluating the effectiveness of the program provided for under this chapter. These reports shall be due to the Legislature 60 days after the periodic reporting period's final date.

The department's reports shall detail any economic and other advantages to the people of California which have resulted from the program, including the decreased use of public cash assistance due to employment and the effect on refugees who, at the point of the termination of eligibility under this chapter, make a transition to the Aid to Families with Dependent Children program.

SEC. 4. Section 13250 of the Welfare and Institutions Code is amended to read:

13250. (a) (1) Except as provided in paragraph (2), this chapter shall be operative only if adequate federal funding is made available and necessary waivers are obtained from the federal government necessary to implement this chapter.

(2) If federal administrative funds are inadequate to fund costs incurred in the administration of the Refugee Cash Assistance Demonstration Project assistance provided to time-eligible recipients, the department and each county shall share those costs as provided for in subdivision (b) of Section 13251. Notwithstanding any other provision of this chapter, the provisions of this paragraph shall remain operative only until October 1, 1989.

(b) The department shall implement the Refugee Cash Assistance Demonstration Project on July 1, 1984, or as soon thereafter as is possible. This demonstration project shall be in operation for a period of five years and three months, commencing July 1, 1985, to September 30, 1990, inclusive.

(c) A county may discontinue the Refugee Cash Assistance Demonstration Project prior to September 30, 1990, subject to the following conditions:

(1) The county shall fully implement Section 13278.

(2) No new applications for the Refugee Cash Assistance Demonstration Project shall be accepted at the time Section 13278 is implemented or after April 1, 1990, whichever comes first.

(d) This chapter shall remain operative only until October 1, 1990, and shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 5. Chapter 5.3 (commencing with Section 13270) of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 6. Section 13278 of the Welfare and Institutions Code is amended to read:

13278. Commencing October 1, 1990, the county shall, to the extent permitted by federal law, utilize funds as described in subdivision (a) of Section 13276 to pay for the costs of any services provided to, or activity performed on behalf of, any refugee participating in the program authorized under Article 3.2 (commencing with Section 11320) of Chapter 2 if that cost is allowed under a plan approved in accordance with Section 11320.2 and federal requirements for refugee employment-related and English language training funds. The plan shall be developed with significant participation by and input from refugee community organizations, voluntary agencies, and other local public and private entities involved in the refugee resettlement process.

SEC. 7. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted within 120 days of the enactment of this act in order to implement this act shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare, and shall not be subject to the review and approval of the Office of Administrative Law. The regulations shall not remain in effect more than 120 days unless the adopting agency complies with all the provisions of Chapter 3.5, as required by subdivision (e) of Section 11346.1 of the Government Code.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that this program can provide quality needed services to refugees and demonstrate its value for the people of the State of California prior to July 1, 1989, it is necessary that this act go into immediate effect.

CHAPTER 40

An act relating to correctional institutions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 8, 1989 Filed with Secretary of State June 8, 1989.]

The people of the State of California do enact as follows:

SECTION 1. There is hereby created within the Department of Corrections 12.9 positions to provide custody and security staff for the new 180-bed, acquired immune deficiency syndrome (AIDS) program in the Del Norte Unit at the California Institution for Men at Chino through June 30, 1989.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Because there is an urgent need for staff to handle the special custody and security needs of inmates housed in a unit dedicated for treatment of AIDS, it is necessary that this act take effect immediately.

CHAPTER 41

An act to amend Sections 19053 and 26073 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 8, 1989 Filed with Secretary of State June 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19053 of the Revenue and Taxation Code is amended to read:

19053. No credit or refund shall be allowed or made after four years from the last day prescribed for filing the return or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of the period a claim therefor is filed by the taxpayer, or unless before the expiration of the period the Franchise Tax Board allows a credit, makes a refund, mails a notice of proposed overpayment on a preprinted form prescribed by the Franchise Tax Board, or certifies the overpayment to the State Board of Control for approval of the refunding thereof.

SEC. 2. Section 26073 of the Revenue and Taxation Code is amended to read:

26073. No credit or refund shall be allowed or made after four

years from the last day prescribed for filing the return or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of the period a claim therefor is filed by the taxpayer, or unless before the expiration of the period the Franchise Tax Board allowed a credit, made a refund, mailed a notice of proposed overpayment on a preprinted form prescribed by the Franchise Tax Board, or certified the overpayment to the State Board of Control for approval of the refunding thereof.

CHAPTER 42

An act to amend Section 798.33 of the Civil Code, relating to mobilehomes.

[Approved by Governor June 14, 1989. Filed with Secretary of State June 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 798.33 of the Civil Code is amended to read:

798.33. (a) A homeowner shall not be charged a fee for keeping a pet in the park unless the management actually provides special facilities or services for pets. If special pet facilities are maintained by the management, the fee charged shall reasonably relate to the cost of maintenance of the facilities or services and the number of pets kept in the park.

(b) If the management of a mobilehome park implements a rule or regulation prohibiting residents from keeping pets in the park, the new rule or regulation shall not apply to prohibit the residents from continuing to keep the pets currently in the park if the pet otherwise conforms with the previous park rules or regulations relating to pets. However, if the pet dies or no longer lives with the resident, the resident does not have the right to replace the pet.

(c) Any rule or regulation prohibiting residents from keeping pets in the mobilehome park shall not apply to guide dogs, signal dogs, or service dogs.

CHAPTER 43

An act to amend Section 4114 of the Public Contract Code, relating to county contracts.

[Approved by Governor June 14, 1989 Filed with Secretary of State June 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4114 of the Public Contract Code is amended to read:

4114. The county board of supervisors, when it is the awarding authority, may delegate its functions under Sections 4107 and 4110 to any officer designated by the board.

The authorized officer shall make a written recommendation to the board of supervisors. The board of supervisors may adopt the recommendation without further notice or hearing, or may set the matter for a de novo hearing before the board.

CHAPTER 44

An act to amend Section 19858.1 of the Government Code, relating to state employees.

[Approved by Governor June 14, 1989 Filed with Secretary of State June 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19858.1 of the Government Code is amended to read:

19858.1. (a) Except as provided in subdivision (c), following completion of six months of continuous service, for each completed calendar month of service, except as provided in Section 19858.2, each state officer and employee who is employed full time shall receive credit for vacation with pay in accordance with the following schedule:

1 month to 3 years	5/6 day per month
37 months to 10 years	1¼ days per month
121 months to 15 years	1 5/12 days per month
181 months to 24 years	1 7/12 days per month
289 months and over	1⅔ days per month

The computation of credit for the month of January 1964, and each month thereafter, shall be based upon the schedule set forth in this subdivision, except that the rate of vacation credit allowed shall not be reduced for any officer or employee employed prior to January

1, 1964. The time when vacation shall be taken shall be determined by the appointing power of the officer or employee.

(b) If the provisions of subdivision (a) are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(c) Following completion of six months of continuous service, for each completed calendar month of service, except as provided in Section 19858.2, each state officer and employee who is employed full time and is either excluded from the definition of state employee in subdivision (c) of Section 3513, or is a supervisory employee, as defined in Section 3522.1, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, shall receive credit for vacation in accordance with the following schedule:

1 month to 3 years	7/8 day per month
37 months to 10 years	1 3/8 days per month
121 months to 15 years	1 5/8 days per month
181 months to 20 years	1 3/4 days per month
241 months to 25 years	1 7/8 days per month
301 months and over	2 days per month

The time when vacation shall be taken shall be determined by the appointing power of the officer or employee.

CHAPTER 45

An act to amend Section 13844 of the Health and Safety Code, and to amend Section 13070 of the Public Resources Code, relating to fire protection, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 14, 1989. Filed with Secretary of State June 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 13844 of the Health and Safety Code is amended to read:

13844. If a county board of supervisors or a city council has appointed itself as the district board, the board of supervisors or city council may delegate any or all of its powers to a fire commission composed of five or seven commissioners. In the case of a district governed by a board of supervisors, the commissioners may be

councilmembers of cities which are located in the district. The board of supervisors or city council shall determine whether the commissioners shall serve at its pleasure or for staggered terms of four years subject to removal for cause.

SEC. 2. Section 13070 of the Public Resources Code is amended to read:

13070. The district may acquire, construct, maintain, and operate property, works, and facilities for any one or more of the following purposes:

(a) To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

(b) The collection, treatment, or disposal of sewage, waste, and storm water of the district and its inhabitants.

(c) To exercise any of the powers, functions, and duties which are vested in, or imposed upon, a fire protection district pursuant to the Fire Protection District Law of 1987, Part 3 (commencing with Section 13800) of Division 12 of the Health and Safety Code.

If the district includes any part of any local agency which provides fire protection service to any territory in the district, the district shall have no authority regarding the prevention or suppression of fires in that territory unless the district has obtained the consent of the local agency.

(d) Comprehensive planning for the physical growth of the area within the district.

(e) The collection or disposal of garbage or refuse matter.

(f) Public recreation by means of parks, including, but not limited to, acquatic parks and recreational harbors, playgrounds, golf courses, swimming pools, or recreation buildings for all-year recreation, including, but not limited to, facilities for public and private meetings, and other public squares and places.

(g) Street lighting.

(h) Mosquito abatement.

(i) The equipment and maintenance of a police department or other police protection to protect and safeguard life and property.

(j) The opening, widening, extending, straightening, and surfacing, in whole or part, of any street in the district, subject to the consent of the Department of Transportation, with respect to state highways, and local authorities, as defined in Section 385 of the Vehicle Code, with respect to highways under their jurisdiction.

(k) The construction and improvement of bridges, culverts, curbs, gutters, drains, and works incidental to the purposes specified in subdivision (j), subject to the consent of the Department of Transportation, with respect to state highways, and local authorities, as defined in Section 385 of the Vehicle Code, with respect to highways under their jurisdiction.

(*l*) The construction and maintenance of parking facilities and other transportation facilities.

SEC. 3. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Artice IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Some county boards of supervisors govern fire protection districts and have appointed city councilmembers of cities within the districts to serve as fire commissioners. Although that practice was permitted by the Fire Protection District Law of 1961, it is not permitted by the Fire Protection District Law of 1987. This measure restores the ability of county supervisors to appoint city councilmembers as fire commissioners. The immediate effect of this measure will allow for the uninterrupted governance of fire districts which protect the public peace, health, and safety in many local communities.

CHAPTER 46

An act to add Section 50199.20 to the Health and Safety Code, and to amend Sections 17058 and 23610.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 15, 1989. Filed with Secretary of State June 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 50199.20 is added to the Health and Safety Code, to read:

50199.20. Not less than 20 percent of the total low-income housing tax credit shall be allocated to rural areas, as defined in Section 50101.

SEC. 2. Section 17058 of the Revenue and Taxation Code is amended to read:

17058. (a) There shall be allowed as a credit against the amount of net tax (as defined in Section 17039) a state low-income housing credit in an amount equal to the amount determined in subdivision (c), computed in accordance with the provisions of Section 42 of the Internal Revenue Code of 1986, as amended, including the amendments contained in the Technical Corrections and Miscellaneous Revenue Act of 1988, except as otherwise provided in this section.

(b) (1) The amount of the credit allocated to any project shall be authorized by the Mortgage Bond and Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) It shall have been allocated by the Mortgage Bond and Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code.

(ii) It shall qualify for a credit under Section 42(h) (4) (B) of the

Internal Revenue Code.

(B) The Mortgage Bond and Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code.

(2) (A) The Mortgage Bond and Tax Credit Allocation Committee shall certify to the taxpayer the amount of tax credit under this section to which the taxpayer is entitled for each year in the credit period.

(B) The taxpayer shall attach a copy of the certification to any return upon which a tax credit is claimed under this section.

(C) In the case of a failure to attach a copy of the certification for the year to the return in which a tax credit is claimed under this section, no credit under this section shall be allowed for that year until a copy of that certification is provided.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue Code shall apply to this section.

(c) Section 42(b) of the Internal Revenue Code shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the taxpayer during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building placed in service by the taxpayer after 1987 (for new buildings whether or not the building is federally subsidized and for existing buildings), the term "applicable percentage" means either of the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings which are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) of the Internal Revenue Code, in lieu of the percentage prescribed in Section 42(b)(1)(A).

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cumulative cash distribution from the operation of the qualified low-income housing project in an amount not to exceed 8 percent per annum on the investment in the project. For purposes of this paragraph, the investment in the project shall be equal to the amount of the capital contributions actually paid to the housing project and shall not include any amounts until they are paid on an investor note. The limitation on return shall apply in the aggregate to the partners if the taxpayer is a partnership and in the aggregate to the shareholders if the taxpayer is an S corporation.

(2) The taxpayer shall apply any cash available for distribution in

excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code.

(e) The provisions of Section 42(f) of the Internal Revenue Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue Code is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of credit period under Section 42(f)(2) of the Internal Revenue Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code is modified to read:

If, as of the close of the 1988 or 1989 taxable year, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the taxpayer shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the taxable year in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue Code shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (6), and (7) of Section 42(h) of the Internal Revenue Code shall not be applicable to this section.

(g) (1) Except as provided in paragraph (2), the aggregate housing credit dollar amount which may be allocated annually by the Mortgage Bond and Tax Credit Allocation Committee for the 1987, 1988, and 1989 calendar years pursuant to this section and Section 23610.5 shall be an amount equal to one dollar and twenty-five cents ($1.25) multiplied by the state population in that year, as established by the Department of Finance.

(2) The portion of the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee which is not allocated for each of the calendar years may be carried over to any subsequent calendar years through 1989.

(h) (1) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue Code is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto, subject to the limitation in paragraph (2).

(2) If, after the first 15 years of the compliance period, a qualified

low-income housing project is not economically feasible, the taxpayer shall be entitled to remove one or more low-income units from the set-aside and rent requirements of Section 42(g) of the Internal Revenue Code as is necessary for the project to become economically feasible, provided that once a project is again economically feasible, the taxpayer designates the next available units as low-income units subject to the set-aside and rent requirements, up to the original number of low-income units, while keeping the project economically feasible.

(3) For purposes of paragraph (2), "economically feasible" means that project revenue equals or exceeds project operating expenses excluding any return on investment.

(4) For purposes of paragraph (3), "operating expenses" means the reasonable expenses necessary to operate and maintain the project in habitable condition, debt service, taxes, and reasonable reserves. For purposes of this paragraph, debt service shall not include that portion of payments of principal and interest attributable to any excess refinanced principal over the outstanding principal of the loan that was refinanced.

(i) Section 42(j) of the Internal Revenue Code shall not be applicable and the following shall be substituted in its place:

(1) The requirements of this section shall be set forth in a regulatory agreement between the Mortgage Bond and Tax Credit Allocation Committee and the taxpayer.

(2) The regulatory agreement shall include, but not be limited to, the following:

(A) A term equal to the compliance period.

(B) A requirement that the agreement be filed in the official records of the county in which the qualified low-income housing project is located.

(C) A provision stating which state and local agencies can enforce the regulatory agreement in the event the taxpayer fails to satisfy any of the requirements of this section.

(D) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto.

(E) A provision incorporating the requirements of Section 42 of the Internal Revenue Code as modified by this section.

(F) A requirement that the taxpayer provide the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement with advance notice if the taxpayer intends to reduce the number of low-income units to make a project economically feasible.

(G) A requirement that the taxpayer notify the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code.

(H) A requirement that the taxpayer, as security for the

performance of taxpayer's obligations under the regulatory agreement, assign the taxpayer's interest in rents which it receives from the project, provided that until there is a default under the regulatory agreement, the taxpayer is entitled to collect and retain the rents.

(I) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period, include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the taxpayer is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance, securing the appointment of a receiver to operate the project, or any other relief as may be appropriate.

(j) In allocating the housing credit, the Mortgage Bond and Tax Credit Allocation Committee shall give priority to qualified low-income housing projects that satisfy the following criteria, which are weighted according to the numerical order of the paragraphs listed below:

(1) Projects that have received government financing or mortgage assistance and are eligible and likely to convert to market-rate rental units.

(2) (A) Projects that commit to providing low-income units for a significantly longer period than the compliance period under this section.

(B) Projects that commit to providing a greater percentage of low-income units than is required under Section 42(g)(1) of the Internal Revenue Code.

(3) Projects that commit to charging rent for low-income units that is less than the rent requirements under Section 42(g)(2) of the Internal Revenue Code.

(4) (A) Projects for which the rate of return on cash investment is less than the rate allowed under this section.

(B) Projects targeted to those groups identified in the California Statewide Housing Plan as having special needs, including projects that ensure that rural areas receive a proportionate share of the housing credits, which share shall in no event be less than 20 percent of the total allocation, including 20 percent of any unallocated credit from prior years as provided in subdivision (m). For the purposes of this paragraph, "rural areas" has the same meaning as defined in Section 50101 of the Health and Safety Code.

(k) Section 42(*l*) of the Internal Revenue Code shall be modified as follows:

The term "secretary" shall be replaced by the term "Mortgage Bond and Tax Credit Allocation Committee."

(*l*) In the case where the credit allowed under this section exceeds the net tax for the taxable year, that portion of the credit

which exceeds the net tax may be carried over to the net tax in succeeding taxable years, with respect to which this section shall remain in effect for purposes of carrying over excess credit, until the credit is used. The credit shall be applied first to the earliest years possible.

(m) The aggregate amount of tax credits granted pursuant to this section and Section 23610.5 shall not exceed thirty-five million dollars ($35,000,000) per year in the 1987 and 1988 calendar years. The Mortgage Bond and Tax Credit Allocation Committee shall not authorize any credit if the total amount of credits authorized in any year under the Personal Income Tax Law and the Bank and Corporation Tax Law exceeds thirty-five million dollars ($35,000,000) in the 1987 and 1988 calendar years.

The aggregate amount of credit granted pursuant to this section and Section 23610.5 in 1989 may exceed thirty-five million dollars ($35,000,000) by an amount equal to the unallocated credit from 1987 and 1988.

(n) The credit period with respect to an allocation of credit in 1989 by the Mortgage Bond and Tax Credit Allocation Committee of which any amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) This section shall remain in effect only until December 1, 1990, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (*l*), until the credit has been exhausted.

SEC. 3. Section 23610.5 of the Revenue and Taxation Code is amended to read:

23610.5. (a) For income years beginning before January 1, 1990, there shall be allowed as a credit against the "tax" (as defined by Section 23036) a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code of 1986, as amended, including the amendments contained in the Technical Corrections and Miscellaneous Revenue Act of 1988, except as otherwise provided in this section.

(b) (1) The amount of the credit allocated to any project shall be authorized by the Mortgage Bond and Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) It shall have been allocated by the Mortgage Bond and Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code.

(ii) It shall qualify for a credit under Section 42(h) (4) (B) of the Internal Revenue Code.

(B) The Mortgage Bond and Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to

Section 42 of the Internal Revenue Code.

(2) (A) The Mortgage Bond and Tax Credit Allocation Committee shall certify to the taxpayer the amount of tax credit under this section to which the taxpayer is entitled for each year in the credit period.

(B) The taxpayer shall attach a copy of the certification to any return upon which a tax credit is claimed under this section.

(C) In the case of a failure to attach a copy of the certification for the year to the return in which a tax credit is claimed under this section, no credit under this section shall be allowed for that year until a copy of that certification is provided.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue Code shall apply to this section.

(c) Section 42(b) of the Internal Revenue Code shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the taxpayer during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building placed in service by the taxpayer after 1987 (for new buildings whether or not the building is federally subsidized and for existing buildings), the term "applicable percentage" means either of the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings which are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) of the Internal Revenue Code, in lieu of the percentage prescribed in Section 42(b)(1)(A).

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cumulative cash distribution from the operation of the qualified low-income housing project in an amount not to exceed 8 percent per annum on the investment in the project. For purposes of this paragraph, the investment in the project shall be equal to the amount of the capital contributions actually paid to the housing project and shall not include any amounts until they are paid on an investor note. The limitation on return shall apply in the aggregate to the partners if the taxpayer is a partnership and in the aggregate to the shareholders if the taxpayer is an S corporation.

(2) The taxpayer shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code.

(e) The provisions of Section 42(f) of the Internal Revenue Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f) (1) of the Internal Revenue Code is modified by substituting "four income years" for "10 taxable years."

(2) The special rule for the first taxable year of credit period under Section 42(f) (2) of the Internal Revenue Code shall not apply to the tax credit under this section.

(3) Section 42(f) (3) of the Internal Revenue Code is modified to read:

If, as of the close of the 1988 or 1989 income year, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the taxpayer shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the taxable year in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue Code shall be modified as follows:

(1) Section 42(h) (2) of the Internal Revenue Code shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (6), and (7) of Section 42(h) of the Internal Revenue Code shall not be applicable.

(g) (1) Except as provided in paragraph (2), the aggregate housing credit dollar amount which may be allocated annually by the Mortgage Bond and Tax Credit Allocation Committee for the 1987, 1988, and 1989 calendar years pursuant to this section and Section 17058 shall be an amount equal to one dollar and twenty-five cents ($1.25) multiplied by the state population in that year, as established by the Department of Finance.

(2) The portion of the aggregate housing credit dollar amount of the Mortgage Bond and Tax Credit Allocation Committee which is not allocated for each of the calendar years may be carried over to any subsequent calendar years through 1989.

(h) (1) The term "compliance period" as defined in Section 42(i) (1) of the Internal Revenue Code is modified to mean, with respect to any building, the period of 30-consecutive income years beginning with the first income year of the credit period with respect thereto, subject to the limitation in paragraph (2).

(2) If, after the first 15 years of the compliance period, a qualified low-income housing project is not economically feasible, the taxpayer shall be entitled to remove one or more low-income units from the set-aside and rent requirements of Section 42(g) of the Internal Revenue Code as is necessary for the project to become

economically feasible, provided that once a project is again economically feasible, the taxpayer designates the next available units as low-income units subject to the set-aside and rent requirements, up to the original number of low-income units, while keeping the project economically feasible.

(3) For purposes of paragraph (2), "economically feasible" means that project revenue equals or exceeds project operating expenses excluding any return on investment.

(4) For purposes of paragraph (3), "operating expenses" means the reasonable expenses necessary to operate and maintain the project in habitable condition, debt service, taxes, and reasonable reserves. For purposes of this paragraph, debt service shall not include that portion of payments of principal and interest attributable to any excess refinanced principal over the outstanding principal of the loan that was refinanced.

(i) Section 42(j) of the Internal Revenue Code shall not be applicable and the following shall be substituted in its place:

(1) The requirements of this section shall be set forth in a regulatory agreement between the Mortgage Bond and Tax Credit Allocation Committee and the taxpayer.

(2) The regulatory agreement shall include, but not be limited to, the following:

(A) A term equal to the compliance period.

(B) A requirement that the agreement be filed in the official records of the county in which the qualified low-income housing project is located.

(C) A provision stating which state and local agencies can enforce the regulatory agreement in the event the taxpayer fails to satisfy any of the requirements of this section.

(D) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto.

(E) A provision incorporating the requirements of Section 42 of the Internal Revenue Code as modified by this section.

(F) A requirement that the taxpayer provide the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement with advance notice if the taxpayer intends to reduce the number of low-income units to make a project economically feasible.

(G) A requirement that the taxpayer notify the Mortgage Bond and Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code.

(H) A requirement that the taxpayer, as security for the performance of taxpayer's obligations under the regulatory agreement, assign the taxpayer's interest in rents which it receives from the project, provided that until there is a default under the regulatory agreement, the taxpayer is entitled to collect and retain

the rents.

(I) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period, include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operate the project in accordance with the regulatory agreement until the enforcer determines the taxpayer is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance, securing the appointment of a receiver to operate the project, or any other relief as may be appropriate.

(j) In allocating the housing credit, the Mortgage Bond and Tax Credit Allocation Committee shall give priority to qualified low-income housing projects that satisfy the following criteria, which are weighted according to the numerical order of the paragraphs listed below:

(1) Projects that have received government financing or mortgage assistance and are eligible and likely to convert to market-rate rental units.

(2) (A) Projects that commit to providing low-income units for a significantly longer period than the compliance period under this section.

(B) Projects that commit to providing a greater percentage of low-income units than is required under Section 42(g)(1) of the Internal Revenue Code.

(3) Projects that commit to charging rent for low-income units that is less than the rent requirements under Section 42(g)(2) of the Internal Revenue Code.

(4) (A) Projects for which the rate of return on cash investment is less than the rate allowed under this section.

(B) Projects targeted to those groups identified in the California Statewide Housing Plan as having special needs, including projects that ensure that rural areas receive a proportionate share of the housing credits, which share shall in no event be less than 20 percent of the total allocation, including 20 percent of any unallocated credit from prior years as provided in subdivision (m). For the purposes of this paragraph, "rural areas" has the same meaning as defined in Section 50101 of the Health and Safety Code.

(k) Section 42(*l*) of the Internal Revenue Code shall be modified as follows:

The term "secretary" shall be replaced by the term "Mortgage Bond and Tax Credit Allocation Committee."

(*l*) In the case where the state credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(m) The aggregate amount of tax credits granted pursuant to this section and Section 17058 shall not exceed thirty-five million dollars

($35,000,000) per year in the 1987 and 1988 calendar years. The Mortgage Bond and Tax Credit Allocation Committee shall not authorize any credit if the total amount of credits authorized in any year under the Personal Income Tax Law and the Bank and Corporation Tax Law exceeds thirty-five million dollars ($35,000,000) in the 1987 and 1988 calendar years.

The aggregate amount of credit granted pursuant to this section and Section 17058 in 1989 may exceed thirty-five million dollars ($35,000,000) by an amount equal to the unallocated credit from 1987 and 1988.

(n) The credit period with respect to an allocation of credit in 1989 by the Mortgage Bond and Tax Credit Allocation Committee of which any amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) This section shall remain in effect only until December 1, 1990, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (*l*), until the credit has been exhausted.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect. However, the provisions of this act shall be applied in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for taxable or income years beginning on or after the first day of the calendar year following the effective date.

CHAPTER 47

An act to amend Section 39308.5 of the Education Code, relating to school facilities.

[Approved by Governor June 20, 1989 Filed with Secretary of State June 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 39308.5 of the Education Code is amended to read:

39308.5. (a) If, at an election held pursuant to Section 39308, or the predecessor to that section, a majority of the electors voting on the proposition voted "Yes," the governing board may call an election pursuant to this section.

Before entering into one or more leases or agreements pursuant to this section and this article, the governing board of the district

shall call, hold, and conduct an election in the manner provided in Section 42202 of the Education Code, as it existed on December 31, 1979, except that the ballot used in the election shall contain substantially the words: "Shall the governing board of the _____ District purchase (a site, sites) prepare plans and specifications [the reference to the site or sites and plans and specifications shall not be included if, prior to calling the election, the governing board of the district has acquired a site or sites or proposes to lease a site or sites or has prepared plans and specifications] and lease (a site, sites) and (a building, buildings) to be constructed for use by the school district (designating the location of the site or sites on which the building or buildings will be constructed and generally describing the building or buildings) and for those purposes, shall the tax rate increase authorized on [the date of the original election], be used solely and exclusively for those purposes in addition to those approved by the majority of electors at the election held pursuant to Section 39308, or the predecessor to that section, on [the date of the original election]?"

If, at the election held pursuant to this section, a majority of the electors voting on the proposition vote "Yes," the governing board may proceed pursuant to this article to use that previously authorized tax increase for the purpose or purposes authorized under that election.

(b) It is the intent of the Legislature, in enacting this section, to permit the levy of a tax to the extent authorized at an election held pursuant to Section 39308, or the predecessor to that section, as modified to permit the proceeds of that tax to be expended for the purposes authorized at the election held pursuant to subdivision (a).

CHAPTER 48

An act to amend Section 1208 of the Penal Code, and to amend Section 927 of the Welfare and Institutions Code, relating to work furlough.

[Approved by Governor June 20, 1989 Filed with Secretary of State June 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1208 of the Penal Code is amended to read:

1208. (a) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to job training, shall be operative in any

county in which the board of supervisors by ordinance finds, on the basis of job training conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to job training, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in that ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of those persons, acting separately or jointly as to any of the functions; and may, by a subsequent ordinance, revise the provisions within the authorization of this section. The board of supervisors may also terminate the operation of this section, either with respect to employment, job training, or education in the county if it finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment, job training, or education in that county is no longer feasible.

Notwithstanding any other provision of law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may, with the approval of the board of supervisors, enter into contracts with appropriate public or nonprofit private agencies or private entities to provide a facility and services for the housing, sustenance, counseling, supervision, and related services for inmates eligible for work furlough. No agency or private entity entering into a contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of prisoners to the work furlough administrator to be confined in a facility for the period during which they are in the work furlough program.

All privately operated work furlough facilities and programs used for the detention of persons sentenced into the custody of the sheriff, the director of a county department of corrections, or the chief probation officer, shall be under the jurisdiction of, and subject to the terms of a contract entered into with, the work furlough administrator. Each contract shall include, but not be limited to, a provision whereby the private agency or entity agrees to operate in compliance with all appropriate state and local building, zoning, health, safety, and fire statutes, ordinances, and regulations and the minimum jail standards for Type IV facilities as established by

regulations adopted by the Board of Corrections. The private agency or entity shall select and train its personnel in accordance with selection and training requirements adopted by the Board of Corrections as set forth in Subchapter 1 (commencing with Section 100) of Chapter 1 of Division 1 of Title 15 of the California Code of Regulations. Failure to comply with the appropriate health, safety, and fire laws or minimum jail standards adopted by the board may be cause for termination of the contract. Upon discovery of a failure to comply with these requirements, the work furlough administrator shall notify the privately operated program director that the contract may be canceled if the specified deficiencies are not corrected within 60 days.

All private work furlough facilities and programs shall be inspected biennially by the Board of Corrections unless the work furlough administrator requests an earlier inspection pursuant to Section 6031.1. Each private agency or entity shall pay a fee to the Board of Corrections commensurate with the cost of those inspections and a fee commensurate with the cost of the initial review of the facility.

(b) When a person is convicted of a misdemeanor and sentenced to the county jail, or is imprisoned in the county jail for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, the work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her regular employment, direct that the person be permitted to continue in that employment, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure employment for himself or herself, unless the court at the time of sentencing or committing has ordered that the person not be granted work furloughs. The work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her job training program, direct that the person be permitted to continue in that job training program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure local job training for himself or herself, unless the court at the time of sentencing has ordered that person not be granted work furloughs. The work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her regular educational program, direct that the person be permitted to continue in that educational program, if that is compatible with the requirements of subdivision (d), or may authorize the person to secure education for himself or herself, unless the court at the time of sentencing has ordered that person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his or her regular employment, job training, or educational program, the administrator shall arrange for a continuation of that employment or for that job training or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular job training or educational program, and the administrator has authorized the prisoner to secure

employment, job training, or education for himself or herself, the prisoner may do so, and the administrator may assist the prisoner in doing so. Any employment, job training, or education so secured shall be suitable for the prisoner. The employment, and the job training or educational program if it includes earnings by the prisoner, shall be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in that area. In no event may any employment, job training, or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed, trained, or educated.

(d) Whenever the prisoner is not employed or being trained or educated and between the hours or periods of employment, training, or education, the prisoner shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment, job training, or education, the work furlough administrator shall have the authority to release him or her from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, workers' compensation insurer, or the prisoner. The release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend those activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to, an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit the wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, that request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and the sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, the sheriff shall first levy on the earnings pursuant to the writ. When an employer or educator transmits earnings to the administrator pursuant to this subdivision, the sheriff shall have no liability to the prisoner for those earnings. From the earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall

deduct so much of the costs of administration of this section as is allocable to the prisoner or if the prisoner is unable to pay that sum, a lesser sum as is reasonable, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge. Upon discharge the balance shall be paid to the prisoner.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018 and 4019.

(g) In the event the prisoner violates the conditions laid down for his or her conduct, custody, job training, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he or she is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532.

(i) As used in this section, the following definitions apply:

(1) "Education" includes vocational and educational training and counseling, and psychological, drug abuse, alcoholic, and other rehabilitative counseling.

(2) "Educator" includes a person or institution providing that training or counseling.

(3) "Employment" includes care of children, including the daytime care of children of the prisoner.

(4) "Job training" may include, but shall not be limited to, job training assistance as provided through the Job Training Partnership Act (Public Law 97-300; 29 U.S.C.A. Sec. 1501 et seq.).

(j) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 2. Section 927 of the Welfare and Institutions Code is amended to read:

927. (a) If the juvenile work furlough administrator so directs that the minor be permitted to continue in his or her regular employment, the administrator shall arrange for a continuation of that employment when possible without interruption. If the minor does not have regular employment, and the administrator has authorized the minor to secure employment for himself or herself, the minor may do so, and the administrator may assist the minor in doing so. Any employment so secured must be suitable for the minor and must be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in the area. In no event may any employment be permitted where there is a labor dispute in the establishment in which the minor is, or is to be, employed.

(b) If the minor does not have regular employment, the juvenile

work furlough administrator may authorize the minor to apply for placement in a local job training program, and the administrator may assist him or her in doing so. The program may include, but shall not be limited to, job training assistance as provided through the Job Training Partnership Act (Public Law 97-300; 29 U.S.C.A. Sec. 1501 et seq.).

CHAPTER 49

An act to amend Section 72062 of, and to repeal Section 74352.3 of, the Government Code, and to amend Section 1205 of the Penal Code, relating to courts.

[Approved by Governor June 20, 1989 Filed with Secretary of State June 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 74352.3 of the Government Code is repealed.

SEC 2. Section 72062 of the Government Code is amended to read:

72062. The Legislature hereby authorizes the establishment of the following program, to be implemented in any county, upon the adoption of a resolution by the board of supervisors authorizing it. For each of the municipal court districts in a county, the board of supervisors may establish administrative assessments, not to exceed ten dollars ($10), for clerical and administrative costs incurred for the following activities:

(a) An assessment for the cost of recording and maintaining a record of the defendant's prior convictions for violations of the Vehicle Code. The assessment shall be payable at the time of payment of a fine or when bail is forfeited for any subsequent violations of the Vehicle Code other than parking, pedestrian, or bicycle violations.

(b) An assessment for all defendants whose driver's license or automobile registration is attached or restricted pursuant to Section 40509 or 40509.5 of the Vehicle Code, to cover the cost of notifying the Department of Motor Vehicles of the attachment or restriction.

SEC. 3. Section 1205 of the Penal Code is amended to read:

1205. (a) A judgment that the defendant pay a fine, with or without other punishment, may also direct that he or she be imprisoned until the fine is satisfied and may further direct that the imprisonment begin at and continue after the expiration of any imprisonment imposed as a part of the punishment or of any other imprisonment to which he or she may theretofore have been sentenced. Each of these judgments shall specify the extent of the imprisonment for nonpayment of the fine, which shall not be more

than one day for each thirty dollars ($30) of the fine, nor exceed in any case the term for which the defendant might be sentenced to imprisonment for the offense of which he or she has been convicted. A defendant held in custody for nonpayment of a fine shall be entitled to credit on the fine for each day he or she is so held in custody, at the rate specified in the judgment. When the defendant has been convicted of a misdemeanor, a judgment that the defendant pay a fine may also direct that he or she pay the fine within a limited time or in installments on specified dates and that in default of payment as therein stipulated he or she be imprisoned in the discretion of the court either until the defaulted installment is satisfied or until the fine is satisfied in full; but unless the direction is given in the judgment, the fine shall be payable forthwith.

(b) Except as otherwise provided in case of fines imposed as conditions of probation, the defendant shall pay the fine to the clerk of the court, or to the judge thereof if there is no clerk, unless the defendant is taken into custody for nonpayment of the fine, in which event payments made while he or she is in custody shall be made to the officer who holds him or her in custody and all amounts so paid shall be forthwith paid over by the officer to the court which rendered the judgment. The clerk shall report to the court every default in payment of a fine or any part thereof, or if there is no clerk, the court shall take notice of the default. If time has been given for payment of a fine or it has been made payable in installments, the court shall, upon any default in payment, immediately order the arrest of the defendant and order him or her to show cause why he or she should not be imprisoned until the fine or installment thereof, as the case may be, is satisfied in full. If the fine, or installment, is payable forthwith and it is not so paid, the court shall without further proceedings, immediately commit the defendant to the custody of the proper officer to be held in custody until the fine or installment thereof, as the case may be, is satisfied in full.

(c) This section applies to any violation of any of the codes or statutes of this state punishable by a fine or by a fine and imprisonment.

Nothing in this section shall be construed to prohibit the clerk of the court, or the judge thereof if there is no clerk, from turning these accounts over to another county department or a collecting agency for processing and collection.

(d) The defendant shall pay to the clerk of the court or the collecting agency a fee for the processing of installment accounts. This fee shall equal the administrative and clerical costs, as determined by the board of supervisors, except that the fee shall not exceed thirty dollars ($30). The Legislature hereby authorizes the establishment of the following program described in this section, to be implemented in any county, upon the adoption of a resolution by the board of supervisors authorizing it. The board of supervisors in any county may establish a fee for the processing of accounts receivable that are not to be paid in installments. The defendant shall

pay to the clerk of the court or the collecting agency the fee established for the processing of the accounts. The fee shall equal the administrative and clerical costs, as determined by the board of supervisors, except that the fee shall not exceed thirty dollars ($30).

CHAPTER 50

An act to amend Sections 3564 and 3566 of the Elections Code, relating to elections

[Approved by Governor June 21, 1989 Filed with Secretary of State June 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3564 of the Elections Code is amended to read:

3564. A ballot argument shall not be accepted under this article unless accompanied by the name, business or home address, and telephone number of each person submitting it, or, if submitted on behalf of an organization, the name, business address, and telephone number of the organization and of at least two of its principal officers. The name, business or home address, and telephone number of a contact person for each individual shall also be submitted.

SEC. 2. Section 3566 of the Elections Code is amended to read:

3566. (a) No more than three signatures shall appear with any argument printed in the ballot pamphlet. In case any argument is signed by more than three persons the signatures of the first three shall be printed.

(b) The Secretary of State shall provide, upon request, the name of, and a telephone number for, each signer of a ballot argument printed in the ballot pamphlet

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CHAPTER 51

An act to amend Section 25537 of the Government Code, relating to county property.

[Approved by Governor June 22, 1989 Filed with Secretary of State June 22, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25537 of the Government Code is amended to read:

25537. (a) In any county the board of supervisors may prescribe by ordinance a procedure alternative to that required by Sections

25526 to 25535, inclusive, for the leasing of any real property belonging to the county. Any alternative procedure so prescribed shall require that the board of supervisors either accept the highest proposal for the proposed lease submitted in response to a call for bids posted in at least three public places for not less than 15 days and published for not less than 2 weeks in a newspaper of general circulation, if the newspaper is published in the county, or reject all bids.

(b) Leases of a duration not exceeding five years and having an estimated monthly rental of not exceeding two thousand dollars ($2,000) may be excluded from the bidding procedure specified in subdivision (a), except that notice shall be given pursuant to Section 6061, posted in the office of the county clerk, and if the lease involves residential property, notice shall be given to the housing sponsors, as defined by Sections 50074 and 50074.5 of the Health and Safety Code. The notice shall describe the property proposed to be leased, the terms of the lease, the location where leases will be executed, and any county officer authorized to execute the lease. If a lease is excluded from the bidding procedure the actual monthly rental in the executed lease shall not exceed two thousand dollars ($2,000), the term of the executed lease shall not exceed five years, and the lease is not renewable. The board of supervisors may, by ordinance, authorize the county officer or officers as are deemed appropriate, to execute leases pursuant to this section.

CHAPTER 52

An act to amend Section 6501 of the Health and Safety Code, relating to sanitary districts.

[Approved by Governor June 22, 1989 Filed with Secretary of State June 22, 1989]

The people of the State of California do enact as follows:

SECTION 1 Section 6501 of the Health and Safety Code is amended to read:

6501. By resolution, the board may change the name of the district. Any name resulting from a change shall include the words "Sanitary District" or shall be a name that is descriptive of the functions of the district. The change of name shall be effective upon the filing of a certified copy of the resolution with the Secretary of State and recording a certified copy in the office of the county recorder of the county or counties in which the district is situated.

CHAPTER 53

An act to amend Sections 76530, 76701, 76702, 76712, 76719, 76904, 76905, 76950, 76951, 76952, 76953, 76953.5, 76955, 76957, 76958, and 76959 of, to add Sections 76511, 76901.5, and 76904.5 to, and to repeal and add Sections 76900, 76901, 76902, and 76903 of, the Food and Agricultural Code, relating to commercial fishing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1989. Filed with Secretary of State June 22, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 76511 is added to the Food and Agricultural Code, to read:

76511. "Commercial salmon vessel operator" is a commercial fisherman who operates a commercial salmon vessel for which a valid commercial salmon vessel permit has been issued pursuant to Article 4.5 (commencing with Section 8230) of Chapter 2 of Part 3 of Division 6 of the Fish and Game Code.

SEC. 2. Section 76530 of the Food and Agricultural Code is amended to read:

76530. "Fisherman" means an individual licensed to commercially harvest fish pursuant to Sections 7850 to 7852, inclusive, of the Fish and Game Code.

SEC. 3. Section 76701 of the Food and Agricultural Code is amended to read:

76701. The voting members of the council shall be appointed by the director, after consultation with the Director of Fish and Game, giving due consideration to proper geographic distribution. The nine members shall include:

(a) Five commercial salmon vessel operators or their representatives, and their alternates.

(b) Two handlers who are receivers or processors or their representatives, and their alternates.

(c) One representative of a handler who is an exporter or a wholesaler, and an alternate.

(d) One public member, and an alternate.

SEC. 4. Section 76702 of the Food and Agricultural Code is amended to read:

76702. (a) The commercial salmon vessel operators and their alternates shall be selected from lists of nominees submitted by marketing associations and any organization deemed to represent the majority of organized commercial salmon vessel operators, and from nominations by individual commercial salmon vessel operators.

(b) The receivers, processors, wholesalers, or exporters and their alternates shall be selected from lists of nominees submitted by an organization deemed to represent the majority of those organized

groups in the state, and from individual receivers, processors, wholesalers, and exporters.

(c) The public member and alternate shall be selected by the director from a list submitted by the commercial salmon vessel operators and handler members of the council.

SEC. 5. Section 76712 of the Food and Agricultural is amended to read:

76712. (a) The council shall select annually from its voting members, to serve at its pleasure, a chair and vice chair.

(b) The chair and vice chair, together with four other voting members, selected annually by the council, shall constitute the executive committee of the council. The executive committee shall have and exercise any powers of the council that the council may delegate to it.

SEC. 6. Section 76719 of the Food and Agricultural Code is amended to read:

76719. The Legislature finds and declares that commercial salmon vessel operators, receivers, processors, wholesalers, or exporters appointed to the council pursuant to this article are intended to represent and further the interest of a particular agricultural industry concerned, and that this representation and furtherance is intended to serve the public interest. Accordingly, the Legislature finds and declares that, with respect to persons who are appointed to the council, the particular agricultural industry concerned is tantamount to, and constitutes, the public generally within the meaning of Section 87103 of the Government Code.

SEC. 7. Section 76900 of the Food and Agricultural Code is repealed.

SEC. 8. Section 76900 is added to the Food and Agricultural Code, to read:

76900. In order to carry out the programs and administer the activities which are conducted pursuant to this chapter, every fisherman who sells salmon to any person, shall pay a fee, as specified in Sections 76902 and 76903, for each pound or fraction thereof, of salmon taken and sold by the fisherman. The fee shall be collected from the fisherman and remitted to the director, by any person licensed to receive fish to whom the salmon are sold. If the salmon are sold to any other person the fee shall be remitted to the director by the fisherman.

SEC. 9. Section 76901 of the Food and Agricultural Code is repealed.

SEC. 10. Section 76901 is added to the Food and Agricultural Code, to read:

76901. Consistent with Section 8041 of the Fish and Game Code, the following persons shall remit the fees required by Section 76902 to the director:

(a) Any person who is required to be licensed as a fish receiver by Section 8033 of the Fish and Game Code, and receives salmon in this state from persons conducting the activities of a commercial

fisherman.

(b) Any commercial fisherman who sells salmon to any person who is not a licensed fish receiver.

SEC. 11. Section 76901.5 is added to the Food and Agricultural Code, to read:

76901.5. (a) Each person who is required by this chapter to collect a fee from fishermen shall maintain a complete and accurate record of all transactions subject to the fee. These records shall contain any information required by the director relating to the collection of fees, shall be preserved for a period of three years, and shall be available for review immediately upon demand by the director or the director's duly authorized agent.

(b) Any information obtained by the director or the director's duly authorized agent from inspection or audit of records shall be confidential and shall not be disclosed except when required in a judicial proceeding.

SEC. 12. Section 76902 of the Food and Agricultural Code is repealed.

SEC. 13. Section 76902 is added to the Food and Agricultural Code, to read:

76902. Except as specified in Section 76905, the amount of fees due under this article shall be determined by multiplying the weight in the round of salmon by two cents ($0.02). For the purposes of establishing the weight in the round of salmon brought ashore, a conversion factor of 10 percent shall be applied to the weight of salmon brought ashore in a dressed condition.

SEC. 14. Section 76903 of the Food and Agricultural Code is repealed.

SEC. 14.5. Section 76903 is added to the Food and Agricultural Code, to read:

76903. The fees imposed under this article shall be paid monthly to the director within 60 days after the last day of each month. If fees are not paid within 60 days after the month for which they are due, the director shall collect amounts owing under the procedures prescribed for sales and use taxes provided in Chapter 5 (commencing with Section 6451) of Part 1 of Division 2 of the Revenue and Taxation Code, insofar as they may be applicable, and for those purposes, "board" means the department and "the date of which the tax became due and payable," means that date 60 days after the month for which it is due.

SEC. 15. Section 76904 of the Food and Agricultural Code is amended to read:

76904. Sections 8058 to 8070, inclusive, of the Fish and Game Code apply to claims for overpayment of fees to the director. For purposes of this section, "department," as used in those sections, means the Department of Food and Agriculture, and "landing tax" means the fees imposed pursuant to this article.

SEC. 15.5. Section 76904.5 is added to the Food and Agricultural Code, to read:

76904.5. The director may consult with and enter into agreements with the Director of Fish and Game where necessary and reasonable, to assist in the administration of this chapter and in enforcing compliance with this chapter. If an agreement is established, the director shall reimburse the Department of Fish and Game for administrative costs associated with this chapter.

SEC. 16. Section 76905 of the Food and Agricultural Code is amended to read:

76905. After one year after the establishment of the council, and not before the commercial salmon season of 1990, the council may recommend to the director an increase over and above the two cents ($0.02) per pound fee required by Section 76902 for the council to carry out its duties under this chapter. The council shall consider the budget for the council, funding for activities conducted pursuant to Article 6 (commencing with Section 76800) and Article 7 (commencing with Section 76850), as well as the market price of salmon, landing taxes imposed by the Department of Fish and Game, assessments charged by marketing associations, and any other relevant factor affecting the economics of the salmon fishery. The council shall, in making any determination to increase fees, consult with marketing associations and, if the recommended increase would exceed seven cents ($0.07) per pound of salmon sold, shall conduct a ballot poll of the commercial salmon vessel operators on the director's list established pursuant to Article 9 (commencing with Section 76950). After an initial ballot poll on a recommended increase exceeding seven cents ($0.07) per pound of salmon sold, the council shall consult with marketing associations and, if the recommended increase would exceed five cents ($0.05) per pound of salmon sold, shall conduct a ballot poll of the commercial salmon vessel operators on the director's list. The director may not increase any fee without a majority approval of the voting members of the council.

SEC. 17. Section 76950 of the Food and Agricultural Code is amended to read:

76950. On or before August 15, 1989, the director shall establish a list of commercial salmon vessel operators eligible to vote on implementation of this chapter. In establishing the list, the director may require that handlers and commercial salmon vessel operators submit the names and mailing addresses of all commercial salmon vessel operators who harvested salmon during the previous season, as evidenced by receipts prepared under Section 8043 of the Fish and Game Code, together with the volume of salmon landed. The director may also request the assistance of the Director of Fish and Game for the names of all commercial salmon vessel operators who landed salmon the previous season and the volume of landings for each vessel. The request for the information shall be in writing and shall be subject to the confidentiality provisions of Section 8022 of the Fish and Game Code. The list shall be filed within 30 days following receipt of the written notice.

SEC. 18. Section 76951 of the Food and Agricultural Code is amended to read:

76951. Any commercial salmon vessel operator whose name does not appear upon the director's list of commercial salmon vessel operators affected may have his or her name established on the list by filing with the director a signed statement, identifying himself or herself as a commercial salmon vessel operator and furnishing evidence of having made landings the previous year through the submission of receipts prepared under Section 8043 of the Fish and Game Code. Failure to be on the list does not exempt a commercial salmon vessel operator from paying assessments under this chapter.

SEC. 19. Section 76952 of the Food and Agricultural Code is amended to read:

76952. This chapter, except as necessary to conduct an implementation referendum vote under this article or as provided in subdivision (b) of Section 76953, shall not become operative until the director finds in an implementation referendum conducted by the director under this article, that at least 40 percent of the total number of commercial salmon vessel operators from the list, established by the director pursuant to Section 76950, have participated by voting in the referendum, and the director finds either of the following:

(a) Sixty-five percent or more of the commercial salmon vessel operators who voted in the referendum voted in favor of implementing this chapter, and the commercial salmon vessel operators who voted in the referendum marketed 51 percent or more of the total quantity of salmon landed in the preceding fiscal year by all the commercial salmon vessel operators who voted in the referendum.

(b) Fifty-one percent of the commercial salmon vessel operators who voted in the referendum voted in favor of implementing this chapter, and the commercial salmon vessel operators who voted in the referendum marketed 65 percent or more of the total quantity of salmon landed in the preceding fiscal year by all of the commercial salmon vessel operators who voted in the referendum.

SEC. 20. Section 76953 of the Food and Agricultural Code is amended to read:

76953. The director shall establish a period in which to conduct the implementation referendum which shall not be less than 30 days nor more than 60 days in duration, and may prescribe additional procedures as may be necessary to conduct the referendum. If the initial period established is less than 30 days, the director may extend that period. However, the total referendum period may not exceed 60 days.

SEC. 21. Section 76953.5 of the Food and Agricultural Code is amended to read:

76953.5. (a) Before the referendum vote is conducted by the director, the proponents of the council shall deposit with the director the amount that the director determines is necessary to defray the

expenses of preparing the necessary lists and information and conducting the referendum vote.

(b) Any funds not used in carrying out this article shall be returned to the proponents of the council who deposited the funds with the director.

(c) Upon establishment of the council, the council may reimburse the proponents of the council for any funds deposited with the director which were used in carrying out this article, and for any legal expenses and costs incurred in establishing the council.

(d) After approval by the Commercial Salmon Trollers Advisory Committee created pursuant to Section 7862 of the Fish and Game Code, the Department of Fish and Game may expend funds collected pursuant to Section 7861 of the Fish and Game Code, for payment to the Director of Food and Agriculture to pay necessary costs incurred in conducting the implementation referendum vote. If a majority of the commercial salmon vessel operators who voted at the implementation referendum voted in favor of implementing this article, as provided in Section 76952, the council shall reimburse the Commercial Salmon Stamp Account in the Fish and Game Preservation Fund all amounts received from that fund.

SEC. 22. Section 76955 of the Food and Agricultural Code is amended to read:

76955. (a) If the director finds that a favorable vote has been given, the director shall certify and give notice of the favorable vote to all commercial salmon vessel operators whose names and addresses may be on file with the director.

(b) If the director finds that a favorable vote has not been given, the director shall so certify and declare all provisions of this chapter inoperative.

SEC. 23. Section 76957 of the Food and Agricultural Code is amended to read:

76957. (a) Between January 1, 1994, and February 28, 1994, and in the same period each five years thereafter, or pursuant to subdivision (b) of Section 76953, the director shall, by the public hearing procedure, and if appropriate, the review referendum procedure provided for in Sections 76958 and 76959, determine whether the council program provided for in this chapter shall continue in effect.

(b) If the director finds from evidence received at the hearing that a substantial question exists as to whether the council program is contrary to or does not effectuate the declared purposes or provisions of this chapter or receives in writing a referendum petition with the signatures of 25 percent or more of the number of commercial salmon vessel operators who made landings in the previous year, as evidenced by receipts prepared under Section 8043 of the Fish and Game Code, the council program shall be submitted to referendum as provided in Section 76958.

SEC. 24. Section 76958 of the Food and Agricultural Code is amended to read:

76958. If the director determines that a review referendum procedure is appropriate or, pursuant to subdivision (b) of Section 76953, required, the director shall establish a referendum period of not to exceed 30 days during which period ballots shall be submitted to every commercial salmon vessel operator on a statewide basis. If the director determines that the referendum period does not provide sufficient time for the balloting, the director may extend the referendum for an additional period not to exceed 30 days. The ballots shall provide a "yes" or "no" voting alternative to the following question:

"Shall the Salmon Council of California be continued for the next five fiscal years commencing April 1, following this referendum?"

SEC. 25. Section 76959 of the Food and Agricultural Code is amended to read:

76959. If the council program is submitted to a review referendum under Section 76958, the director shall find that commercial salmon vessel operators statewide have approved the council program if the director finds either of the following:

(1) Sixty-five percent or more of the total number of commercial salmon vessel operators, who voted in the review referendum and who harvested 51 percent or more of the total amount of salmon landed during the previous fiscal year by all commercial salmon vessel operators who voted in the review referendum, approve the program.

(2) Fifty-one percent or more of the total number of commercial salmon vessel operators, who voted in the review referendum and who harvested 65 percent or more of the total amount of salmon landed during the previous fiscal year by all commercial salmon vessel operators who voted in the review referendum, approve the program.

SEC. 26. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the changes to the salmon marketing plan in this act to be effective for the current salmon season, it is necessary that this act take effect immediately.

CHAPTER 54

An act to amend Section 7⅞ of the Knight's Landing Ridge Drainage District Act (Chapter 99 of the Statutes of 1913) and to amend Section 7⅝ of the Sacramento River West Side Levee District Act (Chapter 361 of the Statutes of 1915), relating to special districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 22, 1989 Filed with Secretary of State June 22, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7⅞ of the Knight's Landing Ridge Drainage District Act (Chapter 99 of the Statutes of 1913) is amended to read:

Sec. 7⅞. In collecting an assessment for maintenance and repair of the works of the district and incidental expenses of the district, the board of drainage commissioners may in any year elect to utilize the tax bills of Colusa and Yolo Counties, and may impose a penalty and interest upon delinquent assessments, in the manner prescribed for reclamation districts as set forth in Division 15 (commencing with Section 50000) of the Water Code and all amendments thereto.

SEC. 2. Section 7⅝ of the Sacramento River West Side Levee District Act (Chapter 361 of the Statutes of 1915) is amended to read:

7⅝. In collecting an assessment for maintenance and repair of the works of the district and incidental expenses of the district, the board of levee commissioners may in any year elect to utilize the tax bills of Colusa and Yolo Counties, and may impose a penalty and interest upon delinquent assessments, in the manner prescribed for reclamation districts as set forth in Division 15 (commencing with Section 50000) of the Water Code and all amendments thereto.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable the Knight's Landing Ridge Drainage District and the Sacramento River West Side Levee District to collect district assessments in a timely and efficient manner, it is necessary that this act take effect immediately.

CHAPTER 55

An act to amend Section 2881.1 of the Public Utilities Code, and to amend Section 3 of Chapter 1182 of the Statutes of 1985, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1989. Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2881.1 of the Public Utilities Code is amended to read:

2881.1. (a) In addition to the requirements of Section 2881, the commission shall design and implement a program whereby each telephone corporation shall provide a telecommunications device capable of servicing the needs of the deaf or severely hearing-impaired, together with a single party line, at no charge additional to the basic exchange rate, to any subscriber which is an agency of state government and which the commission determines serves a significant portion of the deaf or severely hearing-impaired population, and to an office located in the State Capitol and selected by the Joint Rules Committee, for purposes of access by the deaf or severely hearing-impaired to Members of the Legislature.

(b) The commission shall permit telephone corporations to recover costs as they are incurred under this section pursuant to subdivision (c) of Section 2881.

SEC. 2. Section 3 of Chapter 1182 of the Statutes of 1985 is amended to read:

Sec. 3. (a) The Joint Rules Committee shall provide that a telecommunications device, capable of servicing the needs of the deaf or severely hearing-impaired in accordance with Section 2881 of the Public Utilities Code, shall be available for toll-free public access in the State Capitol.

(b) The Senate and Assembly Contingent Funds shall each bear half of the cost of obtaining and maintaining telecommunications service to the deaf and severely-impaired provided pursuant to this section

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the program providing a means for the deaf or severely hearing-impaired to communicate with state agencies and Members of the Legislature and providing a toll-free public access telecommunications device for the deaf or severely hearing-impaired in the State Capitol may be extended prior to its termination on July 1, 1989, it is necessary that this act take effect immediately.

CHAPTER 56

An act to amend Section 22662.5 of the Streets and Highways Code, relating to public improvements.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22662.5 of the Streets and Highways Code is amended to read:

22662.5. (a) The legislative body of any local agency may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of the proposed improvements described in Section 22525, other than the costs of maintenance and servicing, under either the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) or the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)). Either Part 5 (commencing with Section 6400) of Division 7 or Division 10 (commencing with Section 8500), as the case may be, shall govern all proceedings relating to the issuance of those bonds. The pertinent provisions of that division which apply to the legislative body of a city shall also apply to the legislative body of a special district formed to provide park and recreational services. Alternatively, the legislative body may determine and declare that notes shall be issued for the same purposes for which bonds may be issued. The maximum term to maturity of any notes issued shall not exceed 10 years.

(b) The resolution shall generally describe the proposed improvements specified in Section 22525, set forth the estimated cost thereof, specify the number of annual installments and the fiscal years during which they are to be collected, and fix or determine the maximum amount of each annual installment necessary to retire the bonds or notes. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years. The amount of debt service to retire the notes shall not exceed the amount of revenue to be raised from the assessments over 10 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal of, and interest on, any bond or note issued pursuant to this section, shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 57

An act to amend Sections 25104, 25105, 26205, 26205.1, 26205.5, 34090.5, and 60203 of the Government Code, relating to local government records.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25104 of the Government Code is amended to read:

25104. The books, records, and accounts of the board shall be kept in the custody of the clerk and available for public inspection during normal business hours.

SEC. 2. Section 25105 of the Government Code is amended to read:

25105. The board of supervisors may authorize the use of photographs, microphotographs, electronic data-processing records, optical disks, or any other medium which does not permit additions, deletions, or changes to the original document, or photocopies of all records, books and minutes of the board.

(a) Each photograph, microphotograph, or photocopy shall be made in a manner and on paper which will comply with the minimum standards of quality approved therefor by the National Institute of Standards and Technology. Every reproduction shall be deemed and considered an original; and a transcript, exemplification, or certified copy of any reproduction shall be deemed and considered a transcript, exemplification, or certified copy, as the case may be, of the original. Each roll of microfilm shall be deemed and constitute a book and shall be designated and numbered, and provision shall be made for preserving, examining, and using it. A duplicate of each roll of microfilm shall be made and kept in a safe and separate place.

(b) Electronic data-processing records, records recorded on optical disk, and records recorded on any other authorized medium shall comply with the minimum standards of the National Institute of Standards and Technology. A duplicate copy of any authorized record reproduced in compliance with the standards of the National Institute of Standards and Technology shall be deemed an original.

(c) In the event the authorization provided herein is granted, the personal signatures required by Section 25103 may be reproduced by the authorized process, and the reproduced signatures shall be deemed to satisfy the requirement of Section 25103.

SEC. 3. Section 26205 of the Government Code is amended to read:

26205. At the request of the county officer concerned, the board of supervisors of any county may authorize the destruction of any

record, paper, or document which is not expressly required by law to be filed and preserved if all of the following conditions are complied with:

(a) The record, paper, or document is photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disk, or reproduced on film or any other medium which does not permit additions, deletions, or changes to the original document of a type approved for permanent records by the National Institute of Standards and Technology.

(b) The device used to reproduce the record, paper, or document on film, optical disk, or any other medium is one which accurately reproduces the original thereof in all details and which does not permit additions, deletions, or changes to the original document images.

(c) The photographs, microphotographs, electronically recorded video images on magnetic surfaces, records in the electronic data-processing system, records recorded on optical disk, or other reproductions on film or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.

Notwithstanding any other provision of this section, destruction of the original records, papers, or documents is not authorized when the method of reproduction pursuant to this section is reproduction of electronically recorded video images on magnetic surfaces unless a duplicate videotape of the images is separately maintained. A duplicate copy of a record contained in the electronic data-processing system, on optical disk, or on any other medium which does not permit additions, deletions, or changes to the original document images shall also be separately maintained.

SEC. 4. Section 26205.1 of the Government Code is amended to read:

26205.1. (a) The county officer having custody of nonjudicial public records, documents, instruments, books, and papers may cause to be destroyed any or all of the records, documents, instruments, books, and papers if all of the following conditions exist:

(1) The board of supervisors of the county has adopted a resolution authorizing the county officer to destroy records, documents, instruments, books, and papers pursuant to this subdivision. The resolution may impose conditions, in addition to those specified in this subdivision, which the board of supervisors determines are appropriate.

(2) The county officer who destroys any record, document, instrument, book, or paper pursuant to the authority granted by this subdivision and a resolution of the board of supervisors adopted pursuant to paragraph (1) shall maintain for the use of the public a photographic or microphotographic film, electronic recorded video production, a record contained in the electronic data-processing

system, a record recorded on optical disk, a record recorded by any other medium which does not permit additions, deletions, or changes to the original document, or other duplicate of the record, document, instrument, book, or paper destroyed.

(3) The device used to produce the record, paper, or document on film, optical disk, or any other medium is one which accurately reproduces the original thereof in all details and which does not permit additions, deletions, or changes to the original document images.

(b) Paragraphs (2) and 3 of subdivision (a) does not apply to records prepared or received other than pursuant to a state statute or county charter, or records which are not expressly required by law to be filed and preserved.

For the purposes of this section, every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

(c) The county clerk having custody of the original or a copy of the articles of any corporation may cause the destruction of any or all the documents. "Articles" includes the articles of incorporation, amendments thereto, amended articles, restated articles, certificate of incorporation, certificates of determination of preferences, dissolution certificates, merger certificates, and agreements of consolidation or merger.

(d) Notwithstanding any other provision of this section, destruction of the original records, papers, or documents is not authorized when the method of reproduction pursuant to this section is reproduction of electronically recorded video images on magnetic surfaces unless a duplicate videotape of the images is separately maintained. A duplicate copy of a record contained in the electronic data-processing system, on optical disk, or on any other medium which does not permit additions, deletions, or changes to the original document shall also be separately maintained.

SEC. 5. Section 26205.5 of the Government Code is amended to read:

26205.5. At the request of the county recorder, the board of supervisors of any county may authorize the destruction of any or all of the filed papers or record books created by handwriting, typing on printed forms, by typewriting, or by photographic methods, in the recorder's official custody, if all of the following conditions are complied with:

(a) The record, paper, or document is photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disk, reproduced by any other medium which does not permit additions, deletions, or changes to the original document, or reproduced under the direction and control of the county recorder on film, optical disk, or any other medium of a type approved for permanent records by the National

Institute of Standards and Technology.

(b) The device used to reproduce the record, paper, or document on film, optical disk, or any other medium is one which accurately and legibly reproduces the original thereof in all details and which does not permit additions, deletions, or changes to the original document images.

(c) The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are made as accessible for public reference as the original records were.

(d) A true copy of archival quality of the film, optical disk, or any other medium reproductions shall be kept in a safe and separate place for security purposes.

However, no page of any record, paper, or document shall be destroyed if any page cannot be reproduced on film with full legibility. Every unreproducible page shall be permanently preserved in a manner that will afford easy reference.

For the purposes of this section, every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

SEC. 6. Section 34090.5 of the Government Code is amended to read:

34090.5. Notwithstanding the provisions of Section 34090, the city officer having custody of public records, documents, instruments, books, and papers, may, without the approval of the legislative body or the written consent of the city attorney, cause to be destroyed any or all of the records, documents, instruments, books, and papers, if all of the following conditions are complied with:

(a) The record, paper, or document is photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disk, reproduced by any other medium which does not permit additions, deletions, or changes to the original document, or reproduced on film, optical disk, or any other medium of a type approved for permanent records by the National Institute of Standards and Technology.

(b) The device used to reproduce the record, paper, or document on film, optical disk, or any other medium is one which accurately and legibly reproduces the original thereof in all details and which does not permit additions, deletions, or changes to the original document images.

(c) The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are made as accessible for public reference as the original records were.

(d) A true copy of archival quality of the film, optical disk, or any other medium reproductions shall be kept in a safe and separate place for security purposes.

However, no page of any record, paper, or document shall be destroyed if any page cannot be reproduced on film with full

legibility. Every unreproducible page shall be permanently preserved in a manner that will afford easy reference.

For the purposes of this section, every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

SEC. 7. Section 60203 of the Government Code is amended to read:

60203. The legislative body of a district may authorize the destruction of any record, paper, or document which is not expressly required by law to be filed and preserved if all of the following conditions are complied with:

(a) The record, paper, or document is photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disk, reproduced by any other medium which does not permit additions, deletions, or changes to the original document, or reproduced on film, optical disk, or any other authorized medium which complies with the minimum standards of the National Institute of Standards and Technology.

(b) The device used to reproduce the record, paper, or document on film, optical disk, or any other medium is one which accurately reproduces the original thereof in all details and which does not permit additions, deletions, or changes to the original document images.

(c) The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.

For the purposes of this section, every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

CHAPTER 58

An act to amend Sections 19596.5 and 19596.6 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19596.5 of the Business and Professions Code is amended to read:

19596.5. (a) Notwithstanding any other provision of law, the

board may authorize an association licensed to conduct a racing meeting in the northern zone to operate a satellite wagering facility for wagering on races conducted in the northern zone at its racetrack inclosure, except during the part of the day racing is being conducted at its racetrack, and may, with the approval of the Department of Food and Agriculture, authorize any county fair, district agricultural association fair, or citrus fruit fair in the northern zone eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting or authorized pursuant to Section 19596.7, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the northern zone, if all of the following conditions are met:

(1) An organization described in subdivision (c) of Section 19596.4 has executed agreements, which are approved by the board, with the association conducting a racing meeting in the northern zone and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility will be included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted. Notwithstanding any other provision of law or any agreement under this subdivision, for purposes of determining license fees and breakage at the racetrack where the racing meeting is conducted, wagers at a satellite wagering facility shall not be included in the conventional or exotic pools of the association conducting the racing meeting.

(2) The horsemen's organization which represents the horsemen at the association which conducts the racing meeting on which wagers are accepted consents to the acceptance of wagers at the satellite wagering facility, except that the association or fair operating the satellite wagering facility may appeal the withholding of consent to the board which may determine that consent is not required.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering has been approved by the board.

(5) Except as provided in Section 19596.9, any association or fair which conducts satellite wagering shall conduct wagering on all racing offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or night meeting, as long as that loss is reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall

be considered, and no overhead expenses or expenses which would be incurred regardless of the acceptance of night wagers shall be considered.

(b) Notwithstanding subdivision (a), during periods of the day when there is no night racing in the northern zone, the live audiovisual signal of night harness or quarter horse races in the central or southern zone may be offered to satellite wagering facilities in the northern zone, provided, however, (1) that racing associations may accept that audiovisual signal, but are not required to do so and (2) that satellite wagering facilities located at fairs are not required to accept more than five night racing programs per week.

(c) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.4 of 1 percent shall be deposited with the official registering agency of California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of quarter horses pursuant to Section 19617.6, and, in the case of Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619 and, in the case of thoroughbreds, 0.4 of 1 percent shall be deposited with the official registering agency of California-bred thoroughbred

racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition to the distributions in paragraph (1) or (2), on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent of the total amount handled by the satellite wagering facility shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(d) On thoroughbred meetings only, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(e) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses at the association conducting the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(f) Except as provided in subdivisions (g) and (h), all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1)

and (2):

(1) For repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred, for the purpose of constructing improvements only at a fair's racetrack inclosure, for the purpose of construction of satellite wagering facilities at fairs, and for health and safety repair projects and handicapped access compliance at fairs. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at fairs.

(4) For support purposes of fairs generally.

(g) Seven and one-half percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in the General Fund.

(h) Up to 10 percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a special account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings to achieve the purposes of subdivision (i). The department shall annually determine the percentage of revenues payable to the special account under this subdivision based on the amount necessary to achieve the purposes of subdivision (i).

(i) It is the intent of the Legislature that funds allocated pursuant to subdivision (h) be used primarily at fair racing meetings in the northern zone with a daily average handle of more than three hundred thousand dollars ($300,000). The Legislature further finds that its intent is that these allocations be used to bring the purses at these fairs, exclusive of purses for stakes races and special events, to a level of at least 80 percent of purses for similar classes of horses at private racing associations in the northern zone. The funds shall be used among all breeds For fair racing meetings in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or less, it is the intent of the Legislature to bring the purses to a level of at least 25 percent of purses for similar classes of horses at private racing associations in the northern zone.

SEC. 2. Section 19596.6 of the Business and Professions Code is amended to read:

19596.6. (a) Notwithstanding any other provision of law, subject to the conditions and limitations set forth in this section and Section 19596.7, the following entities in the central or southern zone are eligible to be licensed to operate a satellite wagering facility for wagering on races conducted in the central or southern zone:

(1) Any county fair, district agricultural association fair, or citrus

fruit fair which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, may locate a satellite wagering facility at its fairgrounds.

(2) Any association licensed to conduct a racing meeting in the central or southern zone.

(b) The board may authorize an eligible association or, with the approval of the Department of Food and Agriculture, an eligible fair, to operate a satellite wagering facility under all of the following conditions:

(1) A racing association licensed to conduct a racing meeting shall conduct satellite wagering only within its racing inclosure.

(2) An organization described in subdivision (c) of Section 19596.4 has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility are included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering have been approved by the board.

(5) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing conducted in the central or southern zone that is offered to that satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or a night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or a night meeting, as long as that loss is not reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(c) Notwithstanding subdivision (a), a satellite wagering facility may not be located within the County of Los Angeles or within the County of Orange, except as follows:

(1) If all other conditions in subdivision (b) are met, the Fiftieth District Agricultural Association may be authorized to operate a satellite wagering facility upon its fairgrounds in the City of Lancaster and to accept wagers on races conducted in the southern and central zones.

(2) If all other conditions are met, any fair or association licensed to conduct racing meetings in the County of Los Angeles and any racing association other than a fair which is licensed to conduct racing in the County of Orange may be authorized to operate a satellite wagering facility for the limited purpose of conducting satellite wagering on races conducted at the Twenty-Second District Agricultural Association fairgrounds at Del Mar in the County of San Diego, except that, when a fair in Orange County is licensed for a racing meeting, a satellite wagering facility located within the racing inclosure where the racing meeting is conducted may not operate on the days that racing is conducted.

(d) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.4 of 1 percent shall be deposited with the official registering agency for California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, and 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, 0.4 of 1 percent shall be distributed as breeders awards to breeders of quarter horses pursuant to Section 19617.6, and, in case of Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619 and, in the case of thoroughbreds, 0.4 of 1 percent shall be deposited with the official registering agency for California-bred thoroughbred

racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition, on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) On thoroughbred meetings only, the funds remaining after distribution of the amounts in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. All of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting except that all sums for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings in Los Angeles and Orange Counties. The department shall distribute these funds on an equal basis to each racing fair in these counties for distribution in all nonstakes races and among all breeds.

(f) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses participating in the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting

(g) Notwithstanding subdivision (e), when satellite wagering is

conducted on thoroughbred meetings, an amount, not to exceed 1.25 percent of the total amount handled by all satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to administer, pursuant to supervision of the board, a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities of licensed racing associations for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, and for the vanning of starters from these additional stalls on race days for thoroughbred horses.

(h) The funds distributed to the organization formed pursuant to subdivision (g) shall be used to reimburse racing associations who are operating offsite stabling providing additional stalls for the incremental increase in operating costs directly resulting from providing the stabling. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity operating the offsite stabling facility where the injury occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

The funds shall also reimburse horsemen for the cost of vanning starting horses from a board-approved auxiliary training facility operated by a licensed racing association to the track conducting the racing meeting. Horsemen may use carriers of their own choice, except that the amount of reimbursement to horsemen is limited to the amount that the organization determines is generally charged by carriers for vanning from the auxiliary training facility to the track conducting the racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity actually engaged in vanning horses, shall be liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

The training facilities and amenities provided for offsite stabling and training purposes shall be equivalent in character to those provided during racing meetings of the association.

Upon the request of any party within the organization, the board shall adjudicate any dispute regarding costs, or other matters relating to the furnishing of offsite stabling or vanning. The board may, if necessary, appoint an independent auditor to assist in the resolution of disputes. The auditor shall be reimbursed from the funds of the organization.

The organization may maintain a reserve fund of up to 10 percent

of the total estimated annual vanning and stabling costs. In addition to the reserve fund, if the funds generated for offsite stabling and vanning are insufficient to fully reimburse racing associations for expenses incurred during the offsite vanning and stabling program, the organization is entitled to accumulate sufficient funds to fully reimburse these expenses.

The amount initially deducted and distributed to the organization shall be 1.25 percent of the total amount handled by satellite wagering facilities authorized under this section on thoroughbred racing, but that allocation may be adjusted by the board, in its discretion, but the adjusted amount may not exceed 1.25 percent of the total amount handled by satellite wagering facilities, to pay expenses and maintain the reserve fund for the continuing support of the program.

(i) Forty-two percent of the revenue payable to the state from license fees from satellite wagering facilities located at fairs under the authority of this section shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred for the purpose of constructing improvements only at a fair's racetrack inclosure, or for the purpose of construction of satellite wagering facilities at fairs, and for health and safety repair projects and handicapped access compliance at fairs. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at the fair.

(4) For support purposes of the fair generally.

(j) The remaining 58 percent of the revenues payable to the state from satellite wagering facilities at fairs and all revenues payable to the state from satellite wagering facilities located under the authority of this section at sites other than fairs shall be deposited in the General Fund.

(k) Notwithstanding subdivision (b) of Section 19641, the state shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50

percent of redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(*l*) Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(m) Notwithstanding subdivision (c) of Section 19596.5 and subdivision (d) of this section, if the total revenues from horseracing for deposit in the General Fund for the 1988–89 fiscal year, as determined by the board, do not equal or exceed one hundred fifteen million dollars ($115,000,000), the license fees distributed to the state for all wagers under subdivision (c) of Section 19596.5 and subdivision (d) of this section shall be increased by one-half of 1 percent for meetings commencing after July 1, 1989. The board shall determine if the total revenues from horseracing for deposit in the General Fund during the 1989–90 fiscal year and subsequent fiscal years equal or exceed one hundred fifteen million dollars ($115,000,000), and in fiscal years when that amount is not equaled or exceeded, the license fees distributed to the state for all wagers under subdivision (c) of Section 19596.5 and subdivision (d) of this section shall be increased by one-half of 1 percent for meetings commencing after July 1 of the following fiscal year.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for thoroughbred breeders to receive an equal share of awards along with other represented breeds during the 1989 fair racing meetings, it is necessary that this act take effect immediately.

CHAPTER 59

An act to add Section 20394.3 to the Public Contract Code, relating to San Bernardino County.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 20394.3 is added to the Public Contract Code, to read:

20394.3. Whenever the Board of Supervisors of San Bernardino County finds that the estimated expense of any work to be done upon any county highway is twenty-five thousand dollars ($25,000) or less, or that the estimated expense of any work to be done upon any road which is not within the county-maintained system but is maintained by a county service area with road maintenance powers is twenty-five thousand dollars ($25,000) or less, the board or the purchasing agent may let a contract covering both work and material, purchase the material and let a contract for doing the work, or purchase the materials and do the work by day labor, without calling for bids.

SEC. 2. Due to unique facts and circumstances applicable to San Bernardino County, the Legislature finds and declares that a general statute cannot be made applicable with the meaning of Section 16 of Article IV of the California Constitution. Special legislation is, therefore, necessary applicable to only San Bernardino County.

CHAPTER 60

An act to amend Section 4290 of the Public Resources Code, relating to fire safety, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4290 of the Public Resources Code is amended to read:

4290. (a) The board shall adopt regulations implementing minimum fire safety standards related to defensible space which are applicable to state responsibility area lands under the authority of the department. These regulations apply to the perimeters and access to all residential, commercial, and industrial building construction within state responsibility areas approved after January 1, 1991. The

board may not adopt building standards, as defined in Section 18909 of the Health and Safety Code, under the authority of this section. As an integral part of fire safety standards, the State Fire Marshal has the authority to adopt regulations for roof coverings and openings into the attic areas of buildings specified in Section 13108.5 of the Health and Safety Code. The regulations apply to the placement of mobile homes as defined by National Fire Protection Association standards. These regulations do not apply where an application for a building permit was filed prior to January 1, 1991, or to parcel or tentative maps or other developments approved prior to January 1, 1991, if the final map for the tentative map is approved within the time prescribed by the local ordinance. The regulations shall include all of the following:

(1) Road standards for fire equipment access.

(2) Standards for signs identifying streets, roads, and buildings.

(3) Minimum private water supply reserves for emergency fire use.

(4) Fuel breaks and greenbelts.

(b) These regulations do not supersede local regulations which equal or exceed minimum regulations adopted by the state.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessary are:

In order for this act to apply at the earliest opportunity, it is necessary that this act take effect immediately.

CHAPTER 61

An act to amend Section 23533 of the Elections Code, and to amend Sections 35106, 35107, and 71505 of, to add Section 35100 to, and to repeal Sections 71460, 71470, 71471, 71472, 71510, 71511, 71513, and 71514 of, the Water Code, relating to districts.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 23533 of the Elections Code is amended to read:

23533. The county clerk shall prepare for each precinct one voter list and one roster for each ballot form to be used at the polling place of the precinct at the general district election. Where, as provided by Section 23530, the county clerk provides for a consolidated ballot covering two or more district elections in the same precinct the county clerk may also provide a consolidated voter list and consolidated roster for the voters receiving such consolidated ballot.

The county clerk shall furnish each precinct board with its respective lists and rosters prior to the opening of the polls.

For a landowner voting district election, the voter list shall specify the number of votes each voter is entitled to cast.

SEC. 2. Section 35100 is added to the Water Code, to read:

35100. District elections shall be conducted in conformity with the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code) and any provisions of law generally applicable to districts organized under this division.

SEC. 3. Section 35106 of the Water Code is amended to read:

35106. This section shall apply only to landowner voting districts. The ballots used at any general district election in a landowner voting district, including bond elections, shall be provided by the county clerk pursuant to the Uniform District Election Law and shall be in the following form:

(a) Each ballot shall have a perforated line across the top portion of the ballot two inches down and parallel to the top thereof. From this perforated line to the top of the ballot a vertical perforated line shall be placed in the center of the ballot.

(b) Above the perforated line and on both sides of the vertical perforation the ballot shall be printed with the name of the district, the date of the election and the ballot number. All ballots shall be numbered consecutively starting with number one.

(c) Above the perforated line and to the left of the vertical perforation shall be printed: "Number of votes entitled to cast:".

(d) Below the perforated line the following shall be printed in the order enumerated:

(1) The name of the district and the date of the election.

(2) "Number of votes entitled to cast:".

(3) A solid black line. Immediately under the line shall be printed: "Fold bottom of ballot up to this line."

(4) The names of the candidates, in accordance with the randomized alphabet as provided for in Section 10217 of the Elections Code.

(5) Any propositions, including authorizations to issue bonds, or other matters to be submitted to the voters.

(e) Appropriate squares shall be placed after each candidate and proposition on the right side of the ballot.

(f) Appropriate voting instructions may be placed on the ballot.

SEC. 4. Section 35107 of the Water Code is amended to read:

35107. This section shall apply only to landowner voting districts. The following procedures shall be used at the polls by the precinct board appointed pursuant to Section 23528 of the Elections Code:

(a) A roster of voters shall be kept by a member of the precinct board. Each qualified voter who votes shall sign the roster opposite his or her name.

(b) Any voter holding a proxy or authority of legal representative shall deliver it to the judge for inspection. If the proxy or authority

is valid, the voter shall sign his or her own name followed by the word "proxy" or "authority" in the roster opposite the name of the person giving the proxy or the authority.

(c) A voter list of all persons eligible to vote shall be kept by a member of the precinct board. This list shall contain an alphabetical list of eligible voters indicating the number of votes each may cast. The list shall have an appropriate blank space for inserting the ballot number issued to each voter to the right of the number of votes to be cast, a blank space for inserting the number of votes cast by each voter, and a blank space to insert the roster line number of the voter's signature to the left of the printed name of the voter.

(d) As each voter signs the roster, the member of the precinct board keeping the voter list of persons casting ballots shall announce the number of votes the voter is entitled to cast. A member of the precinct board shall insert in ink or indelible pencil in both spaces on each voter's ballot the number of votes the voter is entitled to cast on that ballot. A member of the precinct board shall then place the number of that ballot on the voter list and shall also insert the roster line number of the voter's signature and the number of votes cast in the appropriate spaces.

(e) The ballot and the ballot number shall be checked by a member of the precinct board for accuracy. Any errors shall be corrected and initialed by such member.

(f) The ballot shall be folded by a member of the precinct board by placing the bottom of the ballot on the line marked for that purpose. The ballot shall be refolded by placing the folded bottom on the line marked for folding so that the ballot is folded twice.

(g) The portion of the ballot above the perforated line and to the left of the vertical perforation shall be removed by a member of the precinct board. If a proxy or authority of legal representative is being voted, the proxy or authority shall be attached to the ballot slip.

(h) A member of the precinct board shall hand the folded ballot to the voter who shall take it into a voting booth which shall be so constructed as to insure privacy. The booth shall be provided with a rubber cross stamp and ink pad. The ballot shall be marked only with the rubber stamp by the voter.

(i) After voting the voter shall refold the ballot and deliver it to a member of the precinct board who shall examine only that portion of the ballot which is exposed above the fold line and check that the number of votes marked on the ballot corresponds with the number of votes on the ballot slip of that ballot. Any error in the number of votes shall be corrected by said member in ink or indelible pencil and initialed by two members of the precinct board. The remaining portion of the ballot above the perforated line, shall be removed and delivered to the voter. The folded ballot shall be placed into the ballot box. The ballot box shall be kept locked while the polls are open.

(j) The precinct board shall file as a part of the election records required by Section 23547 of the Elections Code the ballot slip and

any proxy or authority of legal representative attached thereto.

SEC. 5. Section 71460 of the Water Code is repealed.

SEC. 6. Section 71470 of the Water Code is repealed.

SEC. 7. Section 71471 of the Water Code is repealed.

SEC. 8. Section 71472 of the Water Code is repealed.

SEC. 9. Section 71505 of the Water Code is amended to read:

71505. Candidates shall declare their candidacy and shall be nominated, election returns shall be canvassed, the election shall be held and conducted, the results shall be declared, and the certificates of election shall be issued, in the same manner as the declaration of candidacy, nomination, election, canvassing of returns, declaration of results, and issuance of certificates of election are made, declared, held, and conducted, and issued, under the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code).

SEC. 10. Section 71510 of the Water Code is repealed.

SEC. 11. Section 71511 of the Water Code is repealed.

SEC. 12. Section 71513 of the Water Code is repealed.

SEC. 13. Section 71514 of the Water Code is repealed.

CHAPTER 62

An act to amend Section 1033 of the Code of Civil Procedure, relating to civil procedure.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1033 of the Code of Civil Procedure is amended to read:

1033. (a) In the superior court, costs or any portion of claimed costs shall be as determined by the court in its discretion in accordance with Section 1034 where the prevailing party recovers a judgment that could have been rendered in a court of lesser jurisdiction.

(b) In a municipal or justice court, when a prevailing plaintiff recovers less than the amount prescribed by law as the maximum limitation upon the jurisdiction of the small claims court, the following shall apply:

(1) When the party could have brought the action in the small claims court, the court may, in its discretion, allow or deny costs to the prevailing party, or may allow costs in part in any amount as it deems proper.

(2) When the party could not have brought the action in small claims court, costs and necessary disbursements shall be limited to the actual cost of the filing fee, the actual cost of service of process,

and, when otherwise specifically allowed by law, reasonable attorney fees. However, those costs shall only be awarded to the plaintiff if the court is satisfied that prior to the commencement of the action, the plaintiff informed the defendant in writing of the intended legal action against the defendant and that legal action could result in a judgment against the defendant which would include the costs and necessary disbursements allowed by this paragraph.

CHAPTER 63

An act to amend Section 13863 of the Penal Code, relating to crimes.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1 Section 13863 of the Penal Code is amended to read:

13863. Criteria for the selection of law enforcement agencies and school districts to receive Suppression of Drug Abuse in Schools Program funding shall be developed by the State Suppression of Drug Abuse in Schools Advisory Committee.

(a) The State Suppression of Drug Abuse in Schools Advisory Committee shall be composed of two police chiefs, two sheriffs, two district attorneys, one attorney primarily engaged in criminal defense, one representative of parent groups, one representative of the Department of Alcohol and Drug Programs, one county drug program administrator designated pursuant to Section 11962 of the Health and Safety Code, a school peace officer, and a representative of community-based drug abuse programs, all of whom are appointed by the Governor. In addition, the Attorney General shall designate one member representing the Department of Justice and the Superintendent of Public Instruction shall designate four members, one representing the State Department of Education, and three schoolsite personnel. Staff services to the committee shall be provided by the Executive Director of the Office of Criminal Justice Planning. Committee members shall be reimbursed for actual expenses involved in the conduct of committee business. The committee shall review applications for grant awards and shall recommend approval for those applications which are deemed appropriate and are consistent with the guidelines and administrative procedures established pursuant to this section and this chapter.

(b) Each committee member or his or her designee shall be personally present to cast a vote or be counted toward a quorum. An appointed member of the committee unable to attend any meeting may designate a representative to attend the meetings on his or her

behalf. The representative shall be accorded full privilege to address the committee on any matter under consideration and shall have the right to vote on any motions entertained by the committee.

(c) The State Suppression of Drug Abuse in Schools Advisory Committee shall develop specific guidelines and administrative procedures for the Suppression of Drug Abuse in Schools Program.

(d) These guidelines and administrative procedures shall set forth the terms and conditions upon which the Office of Criminal Justice Planning is prepared to offer grants of funds pursuant to statutory authority. The guidelines and administrative procedures do not constitute rules, regulations, orders, or standards of general application.

(e) Administration of the overall program and the evaluation and monitoring of all grants made under this chapter shall be performed by the Office of Criminal Justice Planning.

(f) The Office of Criminal Justice Planning shall, to the extent possible, coordinate the administration of the Suppression of Drug Abuse in Schools Program with those of the Department of Alcohol and Drug Programs and the State Department of Education established pursuant to Article 2 (commencing with Section 11965) of Chapter 2 of Part 3 of Division 10.5 of the Health and Safety Code.

(g) Local assistance grants made pursuant to this chapter shall not be subject to review pursuant to Section 14780 of the Government Code.

(h) Funds disbursed under this chapter shall not be used for the acquisition of equipment.

(i) Funds disbursed under this chapter shall not be used to purchase information or drugs.

(j) In the interest of maximizing the use of funds for program support and implementation, local law enforcement agencies and school districts receiving funds under this chapter are expressly discouraged from using Suppression of Drug Abuse in Schools Program funds for personnel costs. Where it can be demonstrated that personnel costs are essential to the success of the program and that sufficient law enforcement and school personnel are not available to carry out the program, exceptions to this section may be requested through the Executive Director of the Office of Criminal Justice Planning.

(k) No more than 5 percent of the total amount of funds disbursed under this chapter shall be used for administrative costs.

CHAPTER 64

An act to amend Section 853.2 of the Penal Code, relating to boating.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 853.2 of the Penal Code is amended to read:

853.2. (a) All courts and officers now or hereafter having and exercising jurisdiction in any county which is now or may hereafter be formed in any part of this state bordering upon the Colorado River, or any lake formed by, or which is a part of, the Colorado River, shall have and exercise jurisdiction in all criminal cases upon those waters concurrently with the courts of and officers of the State of Arizona, so far and to the extent that any of these bodies of water form a common boundary between this state and the State of Arizona.

(b) This section applies only to those crimes which are established in common between the States of Arizona and California; and an acquittal or conviction and sentence by one state shall bar a prosecution for the same act or omission by the other.

(c) This compact shall not be construed to bar the enforcement of the penal laws of either state not established in common with the other, provided that the act or omission proscribed occurs on that state's side of the river channel boundary.

(d) This compact does not apply to Division 3.5 (commencing with Section 9840) of the Vehicle Code, relating to registration of vessels.

CHAPTER 65

An act to add Section 97.41 to the Revenue and Taxation Code, relating to local government financing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 97.41 is added to the Revenue and Taxation Code, to read:

97.41. Notwithstanding any other provision of law, commencing with the 1989–90 fiscal year and each fiscal year thereafter, in any given year, the amount allocated by the auditor in accordance with

Section 97.35 for a qualifying city in the County of Santa Clara shall not exceed 55 percent of the amount that otherwise would be allocated pursuant to that section.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of unique circumstances in the County of Santa Clara. The Legislature finds, therefore, that this special act is necessary. The facts constituting this necessity are:

The County of Santa Clara has the highest percentage of any California county of assessed value of property committed to tax increment financing. Because of the costs to the county of providing basic and essential services, this act is needed to conserve the county's remaining share of property tax revenues.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that funds necessary to maintain basic and essential services be made available to the County of Santa Clara, it is necessary that this act go into effect immediately.

CHAPTER 66

An act to amend Section 1391 of the Labor Code, relating to minors.

[Approved by Governor June 28, 1989. Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1391 of the Labor Code is amended to read:

1391. (a) Except as provided in Sections 1297 and 1298, no minor shall be employed more than eight hours in one day of 24 hours or more than 48 hours in one week, or before five o'clock in the morning, or after 10 o'clock in the evening on any day preceding a schoolday. However, a minor may work the hours authorized by this section during any evening preceding a nonschoolday until 12:30 in the morning of the nonschoolday.

For purposes of this section, "schoolday" means a day that a minor is enrolled in any class being taught in summer school, year-round school, or during the regular school year.

(b) Any person or the agent or officer thereof, or any parent or guardian, who directly or indirectly violates or causes or suffers the violation of this section is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000), or imprisonment in the county jail for not

more than 60 days or both.

SEC. 2. The amendment of this section made at the 1989–90 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

CHAPTER 67

An act to amend Section 22840.5 of the Elections Code, relating to municipal elections.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22840.5 of the Elections Code is amended to read:

22840.5. Notwithstanding the provisions of Sections 22836 and 22840, if nomination papers for an incumbent officer of the city are not filed by 5 p.m. on the 68th day before the election, the voters shall have until 5 p.m. on the 63rd day before the election to nominate candidates, other than the person who was the incumbent on the 68th day, for that incumbent's elective office.

This section is not applicable where there is no incumbent eligible to be elected.

CHAPTER 68

An act to amend Sections 3371 and 3372 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3371 of the Revenue and Taxation Code is amended to read:

3371. Annually, on or before September 8, the tax collector shall publish the affidavit that the real property on which the taxes, assessments, penalties, and costs had not been fully paid are in default, together with a list of all that real property. However, in any county that mails delinquent notices to the assessees of record before June 30, the tax collector shall publish the affidavit and list of all that real property on or before September 8 of the year following the date of default.

SEC. 2. Section 3372 of the Revenue and Taxation Code is amended to read:

3372. The notice shall show:

(a) The affidavit of tax default.

(b) The fact that the real property may be redeemed by the payment of the amount of defaulted taxes together with such additional penalties and fees as prescribed by law, or that the real property may be redeemed under an installment plan of redemption.

(c) The official who will furnish all information concerning redemption.

(d) The following information relating to each assessment of tax-defaulted property:

(1) The name of the assessee, and where there is more than one valuation the name of the assessee need be listed only once. For the purposes of this section, the name of the assessee may be the name of the assessee as shown on the current roll.

(2) The description of the property.

(3) The total amount which was originally declared in default.

(4) The street address of the property, if any, shown on the county assessment records.

This information required to be published is the "published delinquent list." If any tax-defaulted property is redeemed, the information relating to the property may be omitted from any publication.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide the time necessary to ensure that only those properties that are tax defaulted are published by the collector, it is necessary that this act go into immediate effect.

CHAPTER 69

An act relating to county governments, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1989 Filed with Secretary of State June 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding Article 4 (commencing with Section 29080) of Chapter 1 of Division 3 of Title 3 of the Government Code, the board of supervisors of each county shall begin public hearings on the final county budget for the 1989–90 fiscal year on or before September 18, 1989, and shall complete these

hearings and adopt the final budget on or before October 2, 1989.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide the board of supervisors of each county with more time to consider and adopt a final budget for the 1989–90 fiscal year, it is necessary that this act go into immediate effect.

CHAPTER 70

An act to amend Sections 1596.78, 1597.45, and 1597.65 of, and to add and repeal Section 1597.41 of, the Health and Safety Code, relating to family day care homes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1989 Filed with Secretary of State June 29, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1596.78 of the Health and Safety Code is amended to read:

1596.78. "Family day care home" means a home which regularly provides care, protection, and supervision of 12 or fewer children, in the provider's own home, for periods of less than 24 hours per day, while the parents or guardians are away, and includes the following:

(a) "Large family day care home" which means a home which provides family day care to 7 to 12 children, inclusive, including children under the age of 10 years who reside at the home, as defined in regulations.

(b) "Small family day care home" which means a home which provides family day care to six or fewer children, including children under the age of 10 years who reside at the home, as defined in regulations.

SEC. 2. Section 1597.41 is added to the Health and Safety Code, to read:

1597.41. (a) The State Director of Social Services shall authorize the Counties of Ventura and Placer to operate a pilot project, pursuant to this section, for a period not to extend beyond June 30, 1992. The purpose of the pilot project is to test the feasibility of permitting two additional schoolage children to be cared for in a family day care home.

(b) Notwithstanding Section 1596.78, upon authorization from the State Director of Social Services pursuant to subdivision (a), family day care homes in the Counties of Ventura and Placer shall be subject to the following limits on capacity:

(1) A large family day care home may provide family day care to

7 to 12 children, inclusive, or up to 14 children, inclusive, if two of the children are six years of age or older. Children under the age of 10 years who reside in the home, as defined in regulations, shall be counted for purposes of these limits.

(2) A small family day care home may provide family day care to six or fewer children, or eight or fewer children if two of the children are six years of age or older. Children under the age of 10 years who reside in the home, as defined in regulations, shall be counted for purposes of these limits.

(c) Any family day care provider who opts to care for children under the higher limits described in subdivision (b) shall notify the department of his or her intention prior to accepting the two additional children for care. Upon request of a local planning agency, local zoning agency, or similar local agency, the department shall inform the agency about whether or not a specified provider is participating in the pilot project.

(d) By March 1, 1992, the department shall submit an evaluation of the pilot project to the Assembly Human Services Committee and the Senate Health and Human Services Committee of the Legislature. In preparing the evaluation, the department shall consult with cities or other local agencies in the pilot counties, family day care provider associations, and other associations representing the interests of parents and children. The evaluation shall include, but not be limited to, all of the following:

(1) The number of family day care homes that participate in the pilot project, by county and by size of home.

(2) The number of additional children cared for as a result of the pilot project, by county and by size of home.

(3) Problems encountered by providers, parents, or other parties with respect to licensing and zoning requirements, and barriers to participation in the pilot project encountered by providers.

(4) Comments from providers, local agencies, and parents about the effectiveness, feasibility, and other aspects of the pilot project. The report shall include an assessment of the impact of the pilot project on local zoning practices and policies.

(5) Recommendations as to whether or not the pilot project should be expanded to other areas of the state, and the reasons for those recommendations.

(e) This section shall remain in effect only until July 1, 1992, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1992, deletes or extends that date.

SEC. 3. Section 1597.45 of the Health and Safety Code is amended to read:

1597.45. All of the following shall apply to small family day care homes:

(a) The use of single-family residence as a small family day care home shall be considered a residential use of property for the purposes of all local ordinances.

(b) No local jurisdiction shall impose any business license, fee, or

tax for the privilege of operating a small family day care home.

(c) Use of a single-family dwelling for purposes of a small family day care home shall not constitute a change of occupancy for purposes of Part 1.5 (commencing with Section 17910) of Division 13 (State Housing Law) or for purposes of local building codes.

(d) A small family day care home shall not be subject to Article 1 (commencing with Section 13100) or Article 2 (commencing with Section 13140) of Chapter 1 of Part 2, except that a small family day care home shall contain a fire extinguisher and smoke detector device that meet standards established by the State Fire Marshal.

SEC. 4. Section 1597.65 of the Health and Safety Code is amended to read:

1597.65. This chapter shall remain in effect only until July 1, 1993, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1993, deletes or extends that date.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide continuity in the law which protects the health and safety of children in family homes that provide day care, it is necessary for this act to take immediate effect.

CHAPTER 71

An act to amend Section 1305 of the Penal Code, relating to bail.

[Approved by Governor June 29, 1989 Filed with Secretary of State June 29, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1305 of the Penal Code is amended to read:

1305. (a) If, without sufficient excuse, the defendant neglects to appear for arraignment or for trial or judgment, or upon any other occasion when his or her presence in court is lawfully required, or to surrender himself or herself in execution of the judgment, the court must direct the fact to be entered upon its minutes, and, unless within 15 court days from arraignment no complaint has been filed or the charges have been dismissed, the undertaking of bail, or the money deposited instead of bail, as the case may be, must thereupon be declared forfeited, and, if the amount of the forfeiture exceeds two hundred dollars ($200), the clerk of the court shall, promptly upon entering the fact of such failure to appear in the minutes, mail notice of the forfeiture to the surety on the bond or depositor of money instead of bond, and shall execute a certificate of such mailing and place it in the court's file in the case. If the surety is an authorized corporate surety insurer, and if the bond has plainly printed or

stamped thereon the address of its principal office, such notice shall be mailed to such surety at such address, and mailing to the bail agent or solicitor who posted the bond shall not constitute compliance with this section; the clerk shall at the same time send a copy of such notice to the bail agent or solicitor who posted the bond. If the clerk fails to mail such notice within 30 days after such entry, the surety or depositor shall be released from all obligations under the bond.

But if at any time within 180 days after such entry in the minutes or, if mailing of notice of forfeiture is required, within 180 days after mailing such notice of forfeiture, the defendant appears, and satisfactorily excuse the defendant's neglect or show to the satisfaction of the court that the absence of the defendant was not with the connivance of the bail, the court shall, under terms as may be just and that are equal with respect to all forms of pretrial release, direct the forfeiture of the undertaking or the deposit to be set aside and the bail or the money deposited instead of bail exonerated immediately. The court may order the bail reinstated and the defendant released again on the same bond after notice to the bail, provided that the bail has not surrendered the defendant. If at any time within 180 days after such entry in the minutes or mailing as the case may be, the bail should surrender the defendant to the court or to custody, the court shall under terms as may be just direct the forfeiture of the undertaking or the deposit to be set aside and the bail or the money deposited instead of bail exonerated immediately.

If within 180 days after such entry in the minutes or mailing as the case may be, it is made to appear to the satisfaction of the court that the defendant is dead or is otherwise permanently unable to appear in court due to illness, insanity, or detention by civil or military authorities, and that the absence of the defendant was not with the connivance of the bail, the court shall, under terms as may be just and that are equal with respect to all forms of pretrial release, direct the forfeiture of the undertaking or the deposit to be set aside and the bail or the money deposited instead of bail exonerated immediately. If within 180 days after such entry in the minutes or mailing as the case may be, it is made to appear to the satisfaction of the court that the defendant is temporarily disabled by reason of illness, insanity, or detention by civil or military authorities and is therefore unable to appear in court at any time during the remainder of such 180 days, and that the absence of the defendant has not been with the connivance of the bail, then the period of time during which the disability continues shall not be deemed part of such 180 days. Upon a finding by the court that a reasonable period of time is necessary in order to return the defendant to court upon the termination of the disability, then such period of time, as fixed by the court, shall not be deemed part of such 180 days.

Unless waived by the district attorney or other prosecuting attorney, no order discharging the forfeiture of the undertaking or deposit shall be made without notice by the bail to the district attorney or prosecuting attorney, who may request a hearing within

10 days after receipt of the notice. The notice may be given by the surety insurer, its bail agent, the surety, or the depositor of money, any of whom may give the notice and appear either in person or by an attorney. The court shall then set the date, time, and place of hearing and give notice to the district attorney or prosecuting attorney and to the bail.

(b) If, without sufficient excuse, the defendant neglects to appear for arraignment, trial, judgment, or upon any other occasion when his or her presence in court is lawfully required, or to surrender himself or herself in execution of the judgment, but the court has reason to believe that sufficient excuse may exist for his or her neglect to appear or surrender himself or herself, the court may continue the case for such period as it deems reasonable to enable the defendant to appear without ordering a forfeiture of bail or issuing a bench warrant.

CHAPTER 72

An act to amend Section 66799.3 of the Government Code, relating to solid waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1989 Filed with Secretary of State June 29, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 66799.3 of the Government Code is amended to read:

66799.3. The following definitions govern the construction of this chapter:

(a) "Account" means the Solid Waste Disposal Site Cleanup and Maintenance Account in the General Fund.

(b) "Closure plan" means a plan prepared by the owner or operator of a solid waste landfill to close the landfill in accordance with permit conditions and standards as may be required by a regional board, an enforcement agency, and the board.

(c) "Committee" means the Solid Waste Cleanup and Advisory Committee.

(d) "Corrective action" means any action, required or approved by an enforcement agency, or the board pursuant to Chapter 3 (commencing with Section 66795), a regional board, or an air quality management district or air pollution control district, to abate a nuisance or prevent the migration of methane gas or contaminated ground or surface water as necessary to protect human health and the environment.

(e) "Inert waste" means a nonliquid waste including, but not limited to, soil and concrete, that does not contain hazardous waste

or soluble pollutants at concentrations in excess of water quality objectives established by a regional board pursuant to Division 7 (commencing with Section 13000) of the Water Code and does not contain significant quantities of decomposable waste.

(f) "Postclosure plan" means a plan prepared by the owner or operator of a solid waste landfill to maintain the landfill for at least 30 years after closure in accordance with any permit conditions and standards which may be required by a regional board, an enforcement agency, or the board.

(g) "Regional board" means a California Regional Water Quality Control Board.

(h) "Solid waste landfill" means a disposal facility, as defined in Section 66714, that accepts solid waste, as defined in Section 66719, and which meets the requirements of a class III landfill pursuant to Sections 2533 and 2541 of Title 23 of the California Code of Regulations. "Solid waste landfill" does not include a facility which receives only wastes generated by the landfill owner or operator in the extraction, beneficiation, or processing of ores and minerals or a facility which receives only nonhazardous wood waste derived from timber production or wood product manufacturing.

(i) "State board" means the State Board of Equalization.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to exempt solid waste landfills which receive only nonhazardous wood waste from the requirements for plans due in August 1989, it is necessary for this act to take effect immediately.

CHAPTER 73

An act to add Sections 62000.6, 62000.9, 62000.10, 62000.11, and 62007 to, and to repeal Section 62000.4 of, the Education Code, relating to adult education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 62000.4 of the Education Code is repealed.

SEC. 2. Section 62000.6 is added to the Education Code, to read:

62000.6. The following programs shall sunset on June 30, 1989:

(a) Child development and preschool programs.

(b) Indian education centers.

SEC. 3. Section 62000.9 is added to the Education Code, to read:

62000.9. The Indian education centers program shall sunset on

June 30, 1989.

SEC. 4. Section 62000.10 is added to the Education Code, to read:

62000.10. The child development and preschool programs shall sunset on June 30, 1989.

SEC. 5. Section 62000.11 is added to the Education Code, to read:

62000.11. The adult education program shall sunset on June 30, 1994.

SEC. 6. Section 62007 is added to the Education Code, to read:

62007. The State Department of Education and the Legislative Analyst shall review and report upon the adult education program authorized pursuant to Chapter 3 (commencing with Section 8500) of Part 6 and Chapter 10 (commencing with Section 52500) of Part 28 of the Education Code. The State Department of Education shall submit its report to the appropriate policy and fiscal committees of the Legislature on or before June 30, 1994. The Legislative Analyst shall submit his or her report to the appropriate policy and fiscal committees of the Legislature within 90 days after receiving the State Department of Education report. In conducting the review required by this section, the State Department of Education and the Legislative Analyst shall consider the issues listed in subdivisions (a) and (c) of Section 62006 and shall make recommendations on any appropriate revisions of the law or regulations governing the program.

SEC. 7. Section 2 of this bill shall not become operative if AB 1901 and either or both AB 370 and SB 230 are chaptered before this bill and AB 1901 and either AB 370 or SB 230, if both AB 370 and SB 230 are not chaptered, or both AB 370 and SB 230, if both AB 370 and SB 230 are chaptered, each amends Section 62000.4 of the Education Code.

SEC. 8. Section 3 of this bill shall only become operative if this bill and either or both AB 370 and SB 230 are enacted and become effective on or before January 1, 1990, and this bill is enacted after AB 370 or SB 230, or both AB 370 and SB 230.

SEC. 9. Section 4 of this bill shall only become operative if this bill and AB 1901 are enacted and become effective on or before January 1, 1990, and this bill is enacted after AB 1901.

SEC. 10. Pursuant to Section 17579 of the Government Code, the Legislature finds that there is no mandate contained in this act which will result in costs incurred by a local agency or school district for a new program or higher level of service which require reimbursement pursuant to Section 6 of Article XIII B of the California Constitution and Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 4 (commencing with Section 17550) of Part 7 of Division 2 of Title 2 of the Government Code.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become

operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that there is no disruption in the operation of adult education programs otherwise scheduled to cease operation June 30, 1989, it is necessary for this act to take effect immediately.

CHAPTER 74

An act to amend Sections 19596.5, 19596.6, 19596.7, 19596.15, and 19620 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19596.5 of the Business and Professions Code is amended to read:

19596.5. (a) Notwithstanding any other provision of law, the board may authorize an association licensed to conduct a racing meeting in the northern zone to operate a satellite wagering facility for wagering on races conducted in the northern zone at its racetrack inclosure, except during the part of the day racing is being conducted at its racetrack, and may, with the approval of the Department of Food and Agriculture, authorize any county fair, district agricultural association fair, or citrus fruit fair in the northern zone eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting or authorized pursuant to Section 19596.7, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the northern zone, if all of the following conditions are met:

(1) An organization described in subdivision (c) of Section 19596.4 has executed agreements, which are approved by the board, with the association conducting a racing meeting in the northern zone and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility will be included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted. Notwithstanding any other provision of law or any agreement under this subdivision, for purposes of determining license fees and breakage at the racetrack where the racing meeting is conducted, wagers at a satellite wagering facility shall not be included in the conventional or exotic pools of the

association conducting the racing meeting.

(2) The horsemen's organization which represents the horsemen at the association which conducts the racing meeting on which wagers are accepted consents to the acceptance of wagers at the satellite wagering facility, except that the association or fair operating the satellite wagering facility may appeal the withholding of consent to the board which may determine that consent is not required.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering has been approved by the board.

(5) Except as provided in Section 19596.9, any association or fair which conducts satellite wagering shall conduct wagering on all racing offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or night meeting, as long as that loss is reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses which would be incurred regardless of the acceptance of night wagers shall be considered.

(b) Notwithstanding subdivision (a), during periods of the day when there is no night racing in the northern zone, the live audiovisual signal of night harness or quarter horse races in the central or southern zone may be offered to satellite wagering facilities in the northern zone, provided, however, (1) that racing associations may accept that audiovisual signal, but are not required to do so and (2) that satellite wagering facilities located at fairs are not required to accept more than five night racing programs per week.

(c) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c)

of Section 19596.4, and 0.4 of 1 percent shall be distributed to the breeders in the form of breeders' awards, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of quarter horses pursuant to Section 19617.6, and, in the case of Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition to the distributions in paragraph (1) or (2), on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent of the total amount handled by the satellite wagering facility shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(d) On thoroughbred meetings only, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing

meeting.

(e) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses at the association conducting the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(f) Except as provided in subdivisions (g) and (h), all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers authority, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at fairs.

(4) For support purposes of fairs generally.

(g) Seven and one-half percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in the General Fund.

(h) Up to 10 percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a special account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings to achieve the purposes of subdivision (i). The department shall annually determine the percentage of revenues payable to the special account under this subdivision based on the amount necessary to achieve the purposes of subdivision (i).

(i) It is the intent of the Legislature that funds allocated pursuant to subdivision (h) be used primarily at fair racing meetings in the northern zone with a daily average handle of more than three hundred thousand dollars ($300,000). The Legislature further finds that its intent is that these allocations be used to bring the purses at these fairs, exclusive of purses for stakes races and special events, to a level of at least 80 percent of purses for similar classes of horses at private racing associations in the northern zone. The funds shall be used among all breeds. For fair racing meetings in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or less, it is the intent of the Legislature to bring the purses to a level of at least 25 percent of purses for similar classes of horses at private racing associations in the northern zone.

SEC. 2. Section 19596.5 of the Business and Professions Code is amended to read:

19596.5. (a) Notwithstanding any other provision of law, the board may authorize an association licensed to conduct a racing meeting in the northern zone to operate a satellite wagering facility for wagering on races conducted in the northern zone at its racetrack inclosure, except during the part of the day racing is being conducted at its racetrack, and may, with the approval of the Department of Food and Agriculture, authorize any county fair, district agricultural association fair, or citrus fruit fair in the northern zone eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting or authorized pursuant to Section 19596.7, to locate a satellite wagering facility at its fairgrounds for wagering on races conducted in the northern zone, if all of the following conditions are met:

(1) An organization described in subdivision (c) of Section 19596.4 has executed agreements, which are approved by the board, with the association conducting a racing meeting in the northern zone and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility will be included in the appropriate conventional or exotic pool at the racetrack where the

racing meeting is conducted. Notwithstanding any other provision of law or any agreement under this subdivision, for purposes of determining license fees and breakage at the racetrack where the racing meeting is conducted, wagers at a satellite wagering facility shall not be included in the conventional or exotic pools of the association conducting the racing meeting.

(2) The horsemen's organization which represents the horsemen at the association which conducts the racing meeting on which wagers are accepted consents to the acceptance of wagers at the satellite wagering facility, except that the association or fair operating the satellite wagering facility may appeal the withholding of consent to the board which may determine that consent is not required.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering has been approved by the board.

(5) Except as provided in Section 19596.9, any association or fair which conducts satellite wagering shall conduct wagering on all racing offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or night meeting, as long as that loss is reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses which would be incurred regardless of the acceptance of night wagers shall be considered.

(b) Notwithstanding subdivision (a), during periods of the day when there is no night racing in the northern zone, the live audiovisual signal of night harness or quarter horse races in the central or southern zone may be offered to satellite wagering facilities in the northern zone, provided, however, (1) that racing associations may accept that audiovisual signal, but are not required to do so and (2) that satellite wagering facilities located at fairs are not required to accept more than five night racing programs per week.

(c) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers

and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.4 of 1 percent shall be deposited with the official registering agency of California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of quarter horses pursuant to Section 19617.6, and, in the case of Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619 and, in the case of thoroughbreds, 0.4 of 1 percent shall be deposited with the official registering agency of California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition to the distributions in paragraph (1) or (2), on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent of the total amount handled by the satellite wagering facility shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid

to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(d) On thoroughbred meetings only, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(e) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (c) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses at the association conducting the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(f) Except as provided in subdivisions (g) and (h), all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers authority, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt

service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at fairs.

(4) For support purposes of fairs generally.

(g) Seven and one-half percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in the General Fund.

(h) Up to 10 percent of all revenues payable to the state as license fees from satellite wagering facilities located at fairs shall be deposited in a special account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings to achieve the purposes of subdivision (i). The department shall annually determine the percentage of revenues payable to the special account under this subdivision based on the amount necessary to achieve the purposes of subdivision (i).

(i) It is the intent of the Legislature that funds allocated pursuant to subdivision (h) be used primarily at fair racing meetings in the northern zone with a daily average handle of more than three hundred thousand dollars ($300,000). The Legislature further finds that its intent is that these allocations be used to bring the purses at these fairs, exclusive of purses for stakes races and special events, to a level of at least 80 percent of purses for similar classes of horses at private racing associations in the northern zone. The funds shall be used among all breeds. For fair racing meetings in the northern zone with a daily average handle of three hundred thousand dollars ($300,000) or less, it is the intent of the Legislature to bring the purses to a level of at least 25 percent of purses for similar classes of horses at private racing associations in the northern zone.

SEC. 3. Section 19596.6 of the Business and Professions Code is amended to read:

19596.6. (a) Notwithstanding any other provision of law, subject to the conditions and limitations set forth in this section and Section 19596.7, the following entities in the central or southern zone are eligible to be licensed to operate a satellite wagering facility for wagering on races conducted in the central or southern zone:

(1) Any county fair, district agricultural association fair, or citrus fruit fair which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, may locate a satellite wagering facility at its fairgrounds.

(2) Any association licensed to conduct a racing meeting in the central or southern zone.

(b) The board may authorize an eligible association or, with the approval of the Department of Food and Agriculture, an eligible fair, to operate a satellite wagering facility under all of the following conditions:

(1) A racing association licensed to conduct a racing meeting shall conduct satellite wagering only within its racing inclosure.

(2) An organization described in subdivision (c) of Section 19596.4 has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility are included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering have been approved by the board.

(5) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing conducted in the central or southern zone that is offered to that satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or a night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or a night meeting, as long as that loss is not reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(c) Notwithstanding subdivision (a), a satellite wagering facility may not be located within the County of Los Angeles or within the County of Orange, except as follows:

(1) If all other conditions in subdivision (b) are met, the Fiftieth District Agricultural Association may be authorized to operate a satellite wagering facility upon its fairgrounds in the City of Lancaster and to accept wagers on races conducted in the southern and central zones.

(2) If all other conditions are met, any fair or association licensed to conduct racing meetings in the County of Los Angeles and any racing association other than a fair which is licensed to conduct racing in the County of Orange may be authorized to operate a satellite wagering facility for the limited purpose of conducting

satellite wagering on races conducted at the Twenty-Second District Agricultural Association fairgrounds at Del Mar in the County of San Diego, except that, when a fair in Orange County is licensed for a racing meeting, a satellite wagering facility located within the racing inclosure where the racing meeting is conducted may not operate on the days that racing is conducted.

(d) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.40 of 1 percent shall be distributed to the breeders in the form of breeders' awards, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, and 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, 0.4 of 1 percent shall be distributed as breeders awards to breeders of quarter horses pursuant to Section 19617.6, and, in case of Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition, on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent shall be

distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) On thoroughbred meetings only, the funds remaining after distribution of the amounts in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. All of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting except that all sums for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings in Los Angeles and Orange Counties. The department shall distribute these funds on an equal basis to each racing fair in these counties for distribution in all nonstakes races and among all breeds.

(f) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses participating in the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(g) Notwithstanding subdivision (e), when satellite wagering is conducted on thoroughbred meetings, an amount, not to exceed 1.25 percent of the total amount handled by all satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to administer, pursuant to supervision of the board,

a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities of licensed racing associations for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, and for the vanning of starters from these additional stalls on race days for thoroughbred horses.

(h) The funds distributed to the organization formed pursuant to subdivision (g) shall be used to reimburse racing associations who are operating offsite stabling providing additional stalls for the incremental increase in operating costs directly resulting from providing the stabling. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity operating the offsite stabling facility where the injury occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

The funds shall also reimburse horsemen for the cost of vanning starting horses from a board-approved auxiliary training facility operated by a licensed racing association to the track conducting the racing meeting. Horsemen may use carriers of their own choice, except that the amount of reimbursement to horsemen is limited to the amount that the organization determines is generally charged by carriers for vanning from the auxiliary training facility to the track conducting the racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity actually engaged in vanning horses, shall be liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

The training facilities and amenities provided for offsite stabling and training purposes shall be equivalent in character to those provided during racing meetings of the association.

Upon the request of any party within the organization, the board shall adjudicate any dispute regarding costs, or other matters relating to the furnishing of offsite stabling or vanning. The board may, if necessary, appoint an independent auditor to assist in the resolution of disputes. The auditor shall be reimbursed from the funds of the organization.

The organization may maintain a reserve fund of up to 10 percent of the total estimated annual vanning and stabling costs. In addition to the reserve fund, if the funds generated for offsite stabling and vanning are insufficient to fully reimburse racing associations for expenses incurred during the offsite vanning and stabling program, the organization is entitled to accumulate sufficient funds to fully reimburse these expenses.

The amount initially deducted and distributed to the organization shall be 1.25 percent of the total amount handled by satellite wagering facilities authorized under this section on thoroughbred

racing, but that allocation may be adjusted by the board, in its discretion, but the adjusted amount may not exceed 1.25 percent of the total amount handled by satellite wagering facilities, to pay expenses and maintain the reserve fund for the continuing support of the program.

(i) Forty-two percent of the revenue payable to the state from license fees from satellite wagering facilities located at fairs under the authority of this section shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers authority, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at the fair.

(4) For support purposes of the fair generally.

(j) The remaining 58 percent of the revenues payable to the state from satellite wagering facilities at fairs and all revenues payable to the state from satellite wagering facilities located under the authority of this section at sites other than fairs shall be deposited in the General Fund.

(k) Notwithstanding subdivision (b) of Section 19641, the state

shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50 percent of redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(*l*) Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(m) Notwithstanding subdivision (f) of Section 19596.5 and subdivision (i) of this section, if the revenues deposited in the separate account pursuant to those subdivisions (f) and (i) are in excess of the eleven million dollars ($11,000,000) in any fiscal year, one-half of the amount in excess of eleven million dollars ($11,000,000) shall be transferred to the General Fund.

SEC. 4. Section 19596.6 of the Business and Professions Code is amended to read:

19596.6. (a) Notwithstanding any other provision of law, subject to the conditions and limitations set forth in this section and Section 19596.7, the following entities in the central or southern zone are eligible to be licensed to operate a satellite wagering facility for wagering on races conducted in the central or southern zone:

(1) Any county fair, district agricultural association fair, or citrus fruit fair which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, may locate a satellite wagering facility at its fairgrounds.

(2) Any association licensed to conduct a racing meeting in the central or southern zone.

(b) The board may authorize an eligible association or, with the approval of the Department of Food and Agriculture, an eligible fair, to operate a satellite wagering facility under all of the following conditions:

(1) A racing association licensed to conduct a racing meeting shall conduct satellite wagering only within its racing inclosure.

(2) An organization described in subdivision (c) of Section 19596.4

has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at the satellite wagering facility are included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering have been approved by the board.

(5) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing conducted in the central or southern zone that is offered to that satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or a night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or a night meeting, as long as that loss is not reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(c) Notwithstanding subdivision (a), a satellite wagering facility may not be located within the County of Los Angeles or within the County of Orange, except as follows:

(1) If all other conditions in subdivision (b) are met, the Fiftieth District Agricultural Association may be authorized to operate a satellite wagering facility upon its fairgrounds in the City of Lancaster and to accept wagers on races conducted in the southern and central zones.

(2) If all other conditions are met, any fair or association licensed to conduct racing meetings in the County of Los Angeles and any racing association other than a fair which is licensed to conduct racing in the County of Orange may be authorized to operate a satellite wagering facility for the limited purpose of conducting satellite wagering on races conducted at the Twenty-Second District Agricultural Association fairgrounds at Del Mar in the County of San Diego, except that, when a fair in Orange County is licensed for a racing meeting, a satellite wagering facility located within the racing inclosure where the racing meeting is conducted may not operate on the days that racing is conducted.

(d) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being

conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 4.0 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and 0.4 of 1 percent shall be deposited with the official registering agency for California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, and 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of quarter horses pursuant to Section 19617.6, and, in case of Appaloosas, 0.4 of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, 0.4 of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619 and, in the case of thoroughbreds, 0.4 of 1 percent shall be deposited with the official registering agency for California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition, on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount

collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, 0.33 of 1 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) On thoroughbred meetings only, the funds remaining after distribution of the amounts in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. All of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting except that all sums for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings in Los Angeles and Orange Counties. The department shall distribute these funds on an equal basis to each racing fair in these counties for distribution in all nonstakes races and among all breeds.

(f) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses participating in the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(g) Notwithstanding subdivision (e), when satellite wagering is conducted on thoroughbred meetings, an amount, not to exceed 1.25 percent of the total amount handled by all satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to administer, pursuant to supervision of the board, a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities of licensed racing associations for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, and for the vanning of starters from these additional

stalls on race days for thoroughbred horses.

(h) The funds distributed to the organization formed pursuant to subdivision (g) shall be used to reimburse racing associations who are operating offsite stabling providing additional stalls for the incremental increase in operating costs directly resulting from providing the stabling. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity operating the offsite stabling facility where the injury occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

The funds shall also reimburse horsemen for the cost of vanning starting horses from a board-approved auxiliary training facility operated by a licensed racing association to the track conducting the racing meeting. Horsemen may use carriers of their own choice, except that the amount of reimbursement to horsemen is limited to the amount that the organization determines is generally charged by carriers for vanning from the auxiliary training facility to the track conducting the racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity actually engaged in vanning horses, shall be liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

The training facilities and amenities provided for offsite stabling and training purposes shall be equivalent in character to those provided during racing meetings of the association.

Upon the request of any party within the organization, the board shall adjudicate any dispute regarding costs, or other matters relating to the furnishing of offsite stabling or vanning. The board may, if necessary, appoint an independent auditor to assist in the resolution of disputes. The auditor shall be reimbursed from the funds of the organization.

The organization may maintain a reserve fund of up to 10 percent of the total estimated annual vanning and stabling costs. In addition to the reserve fund, if the funds generated for offsite stabling and vanning are insufficient to fully reimburse racing associations for expenses incurred during the offsite vanning and stabling program, the organization is entitled to accumulate sufficient funds to fully reimburse these expenses.

The amount initially deducted and distributed to the organization shall be 1.25 percent of the total amount handled by satellite wagering facilities authorized under this section on thoroughbred racing, but that allocation may be adjusted by the board, in its discretion, but the adjusted amount may not exceed 1.25 percent of the total amount handled by satellite wagering facilities, to pay expenses and maintain the reserve fund for the continuing support of the program.

(i) Forty-two percent of the revenue payable to the state from license fees from satellite wagering facilities located at fairs under the authority of this section shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers authority, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at the fair.

(4) For support purposes of the fair generally.

(j) The remaining 58 percent of the revenues payable to the state from satellite wagering facilities at fairs and all revenues payable to the state from satellite wagering facilities located under the authority of this section at sites other than fairs shall be deposited in the General Fund.

(k) Notwithstanding subdivision (b) of Section 19641, the state shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50

percent of redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(*l*) Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(m) Notwithstanding subdivision (f) of Section 19596.5 and subdivision (i) of this section, if the revenues deposited in the separate account pursuant to those subdivisions (f) and (i) are in excess of the eleven million dollars ($11,000,000) in any fiscal year, one-half of the amount in excess of eleven million dollars ($11,000,000) shall be transferred to the General Fund.

SEC. 5. Section 19596.7 of the Business and Professions Code is amended to read:

19596.7. (a) In addition to satellite wagering facilities authorized pursuant to Sections 19596.5 and 19596.6, the board, with the approval of the Department of Food and Agriculture, may authorize any county fair, district agricultural association fair, or citrus fruit fair in the County of Kern or Santa Barbara, eligible for an allocation of racing days pursuant to Section 19549, to operate a satellite wagering facility at its fairgrounds even though the fair is not licensed to conduct a racing meeting, and the fair may operate the facilities except for those functions to be performed by an organization described in subdivision (c) of Section 19596.4. Except as otherwise provided in this section, all the provisions of Section 19596.5 shall apply to satellite wagering facilities authorized pursuant to this section. A satellite wagering facility in the County of Kern or Santa Barbara may receive the audiovisual signal from the northern, central, or southern zone, or from more than one of these zones at the same time.

(b) This section shall become operative on January 1, 1988.

(c) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

(d) It is the intent of the Legislature that prior to extending the termination date in subdivision (c), the Legislature shall find that the multisignal authorized by this section is successful.

(e) It is the intent of the Legislature that the board provide, when feasible, for periods of at least 10 minutes between post times at the

satellite wagering facilities operating under this section.

SEC. 6. Section 19596.15 of the Business and Professions Code is amended to read:

19596.15. (a) All revenues payable to the state and deposited in a separate account in the fund pursuant to subdivision (f) of Section 19596.5 and subdivision (i) of Section 19596.6 that are allocated by the Director of Food and Agriculture for the purposes of paragraph (1) of subdivision (f) of Section 19596.5 and paragraph (1) of subdivision (i) of Section 19596.6 are hereby pledged for repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service or expense incurred for the purposes described in paragraph (1) of subdivision (f) of Section 19596.5 and paragraph (1) of subdivision (i) of Section 19596.6.

(b) Any joint powers agency or agencies requesting moneys in connection with the issuance of bonds for the purposes described in paragraph (1) of subdivision (f) of Section 19596.5 and paragraph (1) of subdivision (i) of Section 19596.6 shall file an application with the Director of Food and Agriculture in the form as the director may require. The director shall, upon review of the applications, prepare a statement of allocation of moneys to the joint powers agency or agencies, in the priority the director deems appropriate. The director shall promulgate regulations governing the allocation procedures to be followed in implementing these provisions.

(c) It is the intent of the Legislature in enacting the provisions contained in this section to provide the revenues necessary for the financing by joint powers agencies of the described facilities and projects, which shall be deemed to be public capital improvements within the meaning of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code. Deposits into the account in the fund in accordance with Sections 19596.5 and 19596.6 and this section shall continue through and including either the 20th year after the initial calendar year in which the revenues are collected, or whatever period of time is necessary to repay any borrowings of joint powers funding mechanism, including, but not limited to, retirement of bonded indebtedness, loan repayments, and monthly payments involving lease-purchase programs made by a joint powers agency to finance described facilities and projects, whichever time is longer.

(d) The State of California does hereby pledge to and agree with the holders of any bonds or other indebtedness issued, and with those joint powers agencies which may enter into project agreements with fairs or other third parties or authorize bonds or other indebtedness to be issued, in reliance on the allocations set forth in subdivision (f) of Section 19596.5 and subdivision (i) of Section 19596.6, that the state will not alter or change the structure of funding and deposits set forth in, or the pledge of funds for debt service, security, including any coverage factors, and expenses pursuant to, those sections until the bonds and other indebtedness are fully paid or discharged and the project is fully performed or discharged. However, nothing

precludes any alteration or change if and when adequate provision has been made by law for the protection from impairment of the contracts represented by the bonds, other indebtedness and projects, and the right to so alter or change is hereby reserved. Joint powers agencies are authorized to include this pledge and undertaking of the state in the bonds, agreements evidencing other indebtedness, and project agreements.

SEC. 7. Section 19620 of the Business and Professions Code is amended to read:

19620. (a) From the total revenue received by the board, exclusive of money received pursuant to Sections 19640 and 19641, the sum of two hundred sixty-five thousand dollars ($265,000) plus an amount equal to $^{63}/_{100}$ of 1 percent of the gross amount of money handled in the annual parimutuel pool shall be paid into the State Treasury to the credit of the Fair and Exposition Fund. If the revenues paid into the Fair and Exposition Fund under this section are in excess of thirteen million dollars ($13,000,000) in any fiscal year, one-half of the amount in excess of the thirteen million dollars ($13,000,000) shall be transferred to the General Fund.

(b) From the total revenue received by the board, exclusive of money received pursuant to Sections 19640 and 19641, and in addition to the funds paid into the State Treasury to the credit of the Fair and Exposition Fund as specified in subdivision (a), the Legislature shall annually appropriate and the board shall deposit to the credit of the Fair and Exposition Fund such sums as it deems necessary for the following purposes:

(1) For the support of the board, including any costs and expenses incurred by the Attorney General in the enforcement of this chapter as shall be authorized by the board, including, compensation including any fringe benefits, paid to stewards, to the official veterinarian, and for the costs of laboratory testing related to horseracing pursuant to Section 19442.

(2) To the Department of Food and Agriculture for the supervision of all fairs, including citrus fruit fairs and district agricultural associations receiving money from the fund.

(3) To the Department of Food and Agriculture for the contributions, or the cost of benefits in lieu of contributions, payable to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to this article, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.

(4) To the Department of Finance for the auditing of all fairs, including citrus fruit fairs and district agricultural associations receiving money from the fund.

SEC. 8. Section 2 of this bill incorporates amendments to Section 19596.5 of the Business and Professions Code proposed by both this bill and AB 382. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1990, (2) each

bill amends Section 19596.5 of the Business and Professions Code, and (3) this bill is enacted after AB 382, in which case Section 19596.5 of the Business and Professions Code, as amended by AB 382, shall remain operative only until the operative date of this bill, at which time Section 2 of this bill shall become operative, and Section 1 of this bill shall not become operative.

SEC. 9. Section 4 of this bill incorporates amendments to Section 19596.6 of the Business and Professions Code proposed by both this bill and AB 382. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1990, (2) each bill amends Section 19596.6 of the Business and Professions Code, and (3) this bill is enacted after AB 382, in which case Section 19596.6 of the Business and Professions Code, as amended by AB 382, shall remain operative only until the operative date of this bill, at which time Section 4 of this bill shall become operative, and Section 3 of this bill shall not become operative.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act may take effect and apply during the 1988–89 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 75

An act to amend Sections 5565.32, 5800.5, 5801, 5802, 5803, 5804, 5805, 5806, 5809, 5816, 5825, and 5832 of the Welfare and Institutions Code, relating to mental health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 5565.32 of the Welfare and Institutions Code is amended to read:

5565.32. (a) No later than July 1 of each year, each county that wishes to participate in the program under this chapter shall have a program proposal for the development of a coordinated system of services to address the needs of children with serious emotional disturbance.

(b) Each county program proposal shall include protocols developed in the county for case assessment designed to do all of the following:

(1) Determine the least restrictive appropriate mental health treatment setting for each child.

(2) Plan and facilitate the provision of needed services for the

child and family when necessary and monitor those services.

(3) Provide methods for client and family advocacy to occur within the system.

(c) Each county that wishes to participate in the program under this chapter shall initiate discussions with other public agencies serving children with serious emotional disturbance, including, but not limited to, special education, foster care, and child protective and juvenile justice services to identify common needs and joint planning opportunities.

SEC. 1.5. Section 5800.5 of the Welfare and Institutions Code is amended to read:

5800.5. (a) The Legislature finds that there is no comprehensive county interagency system for the delivery of mental health services to seriously mentally disordered adults and older adults, hereafter referred to as seniors. Specifically:

(1) The adult and senior population which should receive the highest priority for services has not been defined.

(2) The minimum range of treatment, case management, and community support services required by the seriously mentally disordered has not been identified or established.

(3) Service delivery standards which ensure uniform, appropriate care directed specifically to the needs of seriously mentally disordered adults and seniors and their families, including ethnic minorities and persons with multiple disabilities, have not been specified and required.

(4) Although seriously mentally disordered adults and seniors usually have multiple disabilities, the many different state and county public agencies with responsibilities for these individuals do not always collaborate to jointly develop integrated and cost-effective programs.

(5) The current mental health system lacks accountability. There are neither methods nor criteria for evaluating the value received for the mental health dollar the Legislature invests. The success of treatment for specific clients over the course of their illness and the cost effectiveness of mental health systems are not regularly monitored and reported.

(b) The Legislature further finds that Ventura County has implemented a model system of care for children and youth pursuant to the Children's Mental Health Services Act (Chapter 6.8 (commencing with Section 5565.10) of Part 1) hereafter referred to as the Ventura Model, which can be expanded to serve seriously mentally disordered adults and seniors.

(c) Therefore, using the Ventura Model guidelines, it is the intent of the Legislature to accomplish the following:

(1) Establish at least one county demonstration project to develop a comprehensive county interagency system for the delivery of mental health services to seriously mentally disordered adults and seniors that can be replicated in other counties.

(2) Establish a mission statement for county interagency systems

of care for seriously mentally disordered adults and seniors in the proposed demonstration projects, including a philosophy of service delivery, to guide the development of mental health programs and services.

(3) Define and establish target populations of seriously mentally disordered adults and seniors for the proposed demonstration projects pursuant to subdivisions (a) to (e), inclusive, of Section 5831.

(4) Require that 100 percent of new funds appropriated for demonstration project counties shall be dedicated to the target population as defined in subdivisions (a) to (e), inclusive, of Section 5831. Nothing in this chapter shall be construed to reduce funds available for mental health services to children and youth.

(5) Determine the client and cost outcome and interagency collaboration benefits that can be expected if the Ventura Model system of care were implemented statewide.

(6) Begin phasing in the county interagency system of care statewide during or by the end of the demonstration project, contingent on the finding of substantial benefit to seriously mentally disordered adults and seniors, effective cost control and accountability for the use of funds.

SEC. 2. Section 5801 of the Welfare and Institutions Code is amended to read:

5801. (a) The State Department of Mental Health shall contract with one or more counties for at least one, but not more than three, county demonstration projects to develop and implement the model adult and senior county interagency mental health service system beginning in July 1, 1989, and ending June 30, 1993.

(b) The State Department of Mental Health shall adopt as part of its overall mission for the proposed demonstration projects, the development of community-based, county interagency systems of mental health care for seriously mentally disordered adults and seniors that result in the highest benefit to the client, family, and community while ensuring that the public sector meets its legal responsibility and fiscal liability at the lowest possible cost. The underlying philosophy for these systems of care includes the following:

(1) Mental health care is a basic human service, no less so than food and shelter programs, adult protective services, medical care, education, or vocational training.

(2) Seriously mentally disordered adults and seniors are citizens of a community with all the rights, privileges, opportunities, and responsibilities accorded other citizens.

(3) Seriously mentally disordered adults and seniors usually have multiple disorders and disabling conditions and should have the highest priority for mental health services.

(4) Seriously mentally disordered adults and seniors should have an interagency network of services with multiple points of access and be assigned a single person or team to be responsible for all treatment, case management, and community support services.

(5) The client should be fully informed and volunteer for all treatment provided, unless danger to self or others or grave disability requires temporary involuntary treatment.

(6) Clients and families should directly participate in making decisions about services and resource allocations that affect their lives.

(7) People in local communities are the most knowledgeable regarding their particular environments, issues, service gaps and strengths, and opportunities.

(8) State and county government agencies each have responsibilities and fiscal liabilities for seriously mentally disordered adults and seniors.

(9) Mental health services should be responsive to the unique needs, among the seriously mentally disordered, of minority and ethnic groups, elderly persons, and people with multiple disorders.

(10) For the majority of seriously mentally disordered adults and seniors, treatment is best provided in the client's natural setting in the community. Treatment, case management, and community support services should be designed to prevent inappropriate removal from the natural environment to more restrictive and costly placements.

(11) Mental health systems of care must have measurable goals and be fully accountable by providing measures of client outcomes and cost of services.

SEC. 3. Section 5802 of the Welfare and Institutions Code is amended to read:

5802. (a) The State Department of Mental Health shall issue a request for proposals to develop the demonstration projects no later than February 1, 1989. Contracts for county demonstration projects shall be awarded no later than June 1, 1989. Nothing in this part shall be construed to restrict a demonstration county from contracting for part or all services included in the demonstration project proposal. The request for proposals shall include the following specifications:

(1) Proposals may be submitted as a regional system of care by smaller counties acting jointly, independent countywide proposals, and proposals to serve discrete geographic areas within counties. The department shall establish reporting requirements for direct and indirect administrative overhead. Guidelines for reporting administrative charges shall be included in the request for proposals. Weight shall be given to counties with lower administrative overhead costs but in no case shall administrative costs exceed those of existing county mental health programs and services.

(2) The demonstration projects shall identify all members of the target population as defined in subdivisions (a) to (e), inclusive, of Section 5831, in their respective region, county, or service area. The proposal shall identify the number of target population clients to be served through the demonstration project. Weight shall also be given to applicant counties to the extent that resources from county agencies other than the mental health department are used to

develop interagency services for the target population during the demonstration period.

(3) Proposals shall identify county staff and resources necessary to meet requirements established by the State Department of Mental Health to measure client and cost outcome and interagency collaboration for the system of care.

(b) Proposals must be approved by the board of supervisors and the local mental health advisory board.

(c) Upon selection of the demonstration counties, the State Department of Mental Health shall enter into annual performance contracts with the selected counties. Pursuant to Section 5707.1, the contracts required pursuant to this chapter, and pursuant to Chapters 2 (commencing with Section 5808) and 5 (commencing with Section 5833), shall be exempt from the requirements of the Public Contract Code and the State Administrative Manual and shall be exempt from approval by the Department of General Services.

SEC. 4. Section 5803 of the Welfare and Institutions Code is amended to read:

5803 The State Department of Mental Health shall require demonstration counties to use available resources for the target population to develop the following services, including, but not limited to:

(a) Mental health treatment services, including, but not limited to:

(1) Comprehensive assessment of mental and physical conditions which identify strengths and assets, impairments in functioning and psychosocial stressors.

(2) Medication management including strategies to maximize the client's cooperation with the medication plan.

(3) 24-hour crisis response services including, but not limited to, hotline, walk-in and mobile crisis response capability, crisis residential and acute inpatient beds, day stabilization, and brief intensive psychotherapy.

(4) In-home treatment services and services provided in other agency environments. This includes, but is not limited to, jails and homeless shelter programs.

(5) Treatment services for persons with a dual diagnosis where the serious mental disorder is the primary treatment focus including, but not limited to, services for persons with a secondary diagnosis of drug and alcohol abuse, and jail diversion programs for offenders.

(6) Outreach services when necessary to ensure that services are provided to members of the target population who may be difficult to treat including ethnic minorities, seniors, and persons with multiple disabilities.

(b) Case management services including:

(1) An identified, single point of contact with responsibility for all services, including mobile outreach, that is available 24 hours each day.

(2) Transportation to essential services.

(3) Consultation to individuals and agencies in frequent contact with the client with the intent of maintaining clients in appropriate residential and working arrangements, including family, employers, landlords, police, hospitals, and significant others.

(4) Ascertainment of eligibility and provision of access to income support and entitlements, housing, food, medical, and dental care, vocational services, educational services, community recreational services, legal assistance, and veterans benefits.

(5) Money management as substitute or protective payee.

(c) Community support services including:

(1) Socialization services or drop-in centers.

(2) Family consultation and support services including respite care, education on the nature of the disorder, medications, handling daily problems and crises, identification and reduction of stress, and linkage to regional resource centers, other family support services and advocacy organizations.

(3) Peer support or self-help groups.

(4) Consultations to agencies and individuals in frequent contact with groups of clients with the intent of developing and maintaining a system of care including, but not limited to, housing resources, employers, community and public agencies, and local businesses.

(5) A full range of residential options from supported independent living through restrictive, supervised settings. In-home support must be available. Demonstration counties shall plan the most effective residential system given the local resources and problems.

(d) Rehabilitative services including:

(1) Social rehabilitative programs that provide assessment of impairments and strengths, and training to develop skills of daily living, money management, personal hygiene, use of public transportation, social skills, and others.

(2) Vocational rehabilitative services that provide functional assessment of the person's skills, collaborative arrangements with educational and vocational rehabilitation agencies to perform vocational assessments, job readiness skill development, sheltered employment, supported work and on-the-job training opportunities, and evaluation of achievement of goals and skills.

(e) Protection and advocacy services including patient rights services, grievance procedures, and coordination with other existing advocacy services for seniors such as the ombudsman program for seniors.

SEC. 5. Section 5804 of the Welfare and Institutions Code is amended to read:

5804. The State Department of Mental Health shall establish service standards that assure members of the target population are identified and can choose, get, and keep environments where they can live, learn, and work. These standards include, but are not limited to:

(a) A systemwide county, region, or area service planning process

that is target population based and includes the following:

(1) Estimates of the numbers of clients to be served and the programs and services that will be provided to meet their needs. The local director of mental health shall consult with the Mental Health Advisory Board, contractors, the local chapter of the Alliance for the Mentally Ill, client constituency groups, ethnic minority constituency, and others as determined by the director to help identify all of the persons in the target populations and determine their needs.

(2) Plans for services including outreach for identification, to meet the cultural, linguistic, and special needs of minorities in the target populations. Provision shall also be made for staff with the cultural background and linguistic skills necessary to remove barriers to mental health services due to a limited-English speaking ability and cultural differences.

(3) Provision for services to meet the needs of target population clients who are physically disabled.

(4) Provision for services to meet the special needs of seniors, including problems arising from the increased interaction of physical and mental disorders, the need for accurate assessment of the role of brain impairment in psychiatric disorders being treated, and other specialized services.

(5) Provision for methods and procedures to identify underserved members of the target population.

(6) Provision, pursuant to paragraphs (2) and (3) of subdivision (c) of Section 5803, for family support and consultation services within three days of a client's admission to psychiatric inpatient treatment for the first psychotic "break," and requirements for assignment of a case manager and referral to a peer support or self-help group prior to discharge.

(b) The average caseload for each case management staff person shall not exceed 25 members.

(c) Each client shall have either a clearly designated mental health case manager or a multidisciplinary treatment team who is responsible for providing or assuring needed services through the course of the illness. Responsibilities include complete assessment of the client's case management needs, development of the client's Personal Services Plan (PSP) and following the client through the system of care, including when in the care or custody of another agency such as the jail or when hospitalized. If the person is admitted to crisis or acute inpatient care the responsible mental health staff shall be notified and included in planning for the member's treatment, discharge, and community reentry.

(d) The responsible case manager or the treatment team shall ensure that each client has a single, systemwide personal services plan that provides for the services in subdivisions (a) to (e), inclusive, of Section 5803 specifying methods to be used. Each client shall participate in the development of his or her personal services plan, and responsible staff shall consult with the conservator and,

with the consent of the client, consult with the family and other significant persons in the development of the personal services plan. The personal services plan shall be directed at the goals of assuring that clients:

(1) Have a reduction, to the extent possible, of the disabling symptoms of mental illness.

(2) Live in the most normal housing feasible in the local community.

(3) Have an adequate income and an appropriate level of work or vocational training.

(4) Are in good health.

(5) Have a support system, with friendships and participation in community activities.

(6) Have freedom from dangerous, addictive substances.

(7) Maintain socially responsible behavior.

(8) Obtain an appropriate level of education and learning.

(9) Receive culturally appropriate services.

(10) For members who reside with their family, the PSP should provide for respite care which is designed to give the family needed relief from difficult behavior and decrease the duration of the hospital stay.

SEC. 6. Section 5805 of the Welfare and Institutions Code is amended to read:

5805 The State Department of Mental Health shall require demonstration counties to develop systems of interagency collaboration which identify joint responsibilities for services specified in Section 5803 and achievement of the client and cost outcome goals and interagency collaboration goals pursuant to Section 5834. Each demonstration county shall accomplish the following:

(a) The local mental health director shall form or facilitate the formation of a county interagency policy and planning committee. Members may include directors or key policymaking staff from the local mental health department, the local mental health advisory board, and other agencies such as social services, the sheriff's department, superior court, county alcohol and drug programs, probation services, local, state, and county housing authorities, and other state and county agencies whose service policies will significantly affect members. The duties of the committee shall include, but not be limited to:

(1) Identification of those agencies that have a significant joint responsiblity for the target population and ensuring collaboration on countywide planning and policy.

(2) Identification of gaps in services to members of the target population, development of policies to assure service effectiveness and continuity, and setting priorities for interagency services.

(3) Implementation of public and private collaborative programs whenever possible to better serve the target population.

(4) Provision of a countywide interagency case management

council to coordinate resources to target population members who are using the services of more than one agency concurrently.

(b) The local mental health director shall develop written interagency agreements or memoranda of understanding with agencies identified in paragraph (a). Written interagency agreements or memoranda shall specify jointly provided or integrated services, staff tasks and responsibilities, facility and supply commitments, budget considerations, and linkage and referral services. The agreements shall be reviewed and updated annually. Agreements may be established with the following:

(1) Housing resource agencies, including federal Housing and Urban Development Agency, city and county planning departments with access to housing and community development funds, and local chapters of residential care provider organizations.

(2) Health and entitlement agencies including public sector agencies administering health funds for medically indigent adults and Medi-Cal eligibility services, public health departments, county drug and alcohol departments, public guardian or conservator, county welfare departments, elder abuse agencies, senior nutrition, health and home health care programs, and aging network representatives, including the area agency on aging.

(3) Educational institutions and agencies such as special education, adult education programs, community colleges, colleges and universities, city and county recreation and parks departments, and senior multipurpose service centers.

(4) Rehabilitation programs and agencies such as the Department of Rehabilitation, Private Industry Council, Job Training Partnership Act programs, and regional resource centers for the brain-impaired.

(5) Criminal justice agencies such as county jails, local police and sheriff departments, courts, and probation.

(6) Ethnic specific agencies.

(c) Joint resources and services not specified in the interagency agreements but needed by the target population shall be purchased from other public, private nonprofit, or private agencies.

SEC. 7. Section 5806 of the Welfare and Institutions Code is amended to read:

5806. The Secretary of Health and Welfare shall establish a State Human Services Interagency Task Force to coordinate statewide policy and planning of county interagency services for the members of the target population.

(a) The task force shall include representatives of the state departments which have responsibility for meeting the needs of the target population. The task force shall also include representatives from the Assembly Health Committee, the Assembly Ways and Means Committee, the Senate Health and Human Services Committee, the Senate Appropriations Committee, and other appropriate persons, as determined by the secretary.

(b) The duties of the task force include, but are not limited to, the following:

(1) Ensuring the collaboration of state level human services agencies to meet the needs of the target population.

(2) Developing interagency agreements as necessary to facilitate collaboration among state and local agencies, including the sharing of data and information on the target population.

(3) Ensuring ongoing communication between the executive and legislative branches of government relative to meeting the needs of the target population.

SEC. 8. Section 5809 of the Welfare and Institutions Code is amended to read:

5809. (a) The purposes of this part are:

(1) To establish a pilot model to test and evaluate an integrated service system for a limited number of persons with serious mental disorders.

(2) To provide the State Department of Mental Health with an evaluation of proposed standards for the organization and financing of community services for the seriously mentally disordered and for redirecting expenditures pursuant to the Short-Doyle Act (Part 2 (commencing with Section 5600)) if necessary to improve standards of service provided by counties, as authorized in Sections 5600.5 and 5600.6.

(3) To provide counties with information about alternative ways of organizing and allocating resources for services for the seriously mentally disordered.

(4) To provide the federal government with an opportunity to test a new method of consolidating the funding of federal, categorical human service programs.

(b) The pilot integrated service system established by this part is based upon features found in exemplary human service delivery systems in California and other states.

It is the intent of the Legislature that by this part California may evaluate proposed new methods of organizing and financing services for the seriously mentally disordered which may, over the next decade, result in cost-effective system of comprehensive services, responsive to the needs of the seriously mentally disordered and their families, in every part of the state.

It is the intent of the Legislature that a pilot agency maintain a continuity of services and financial responsibility for their members.

SEC. 9. Section 5816 of the Welfare and Institutions Code is amended to read:

5816. In addition to any other requirements which may be included in the department's request for proposals, proposals to operate a pilot agency shall include the following:

(a) A description of the staff team that will conduct the comprehensive services defined in Section 5815, the amount of time each staff person will devote to working for the pilot agency and the staffing arrangements that will assure compliance with the programmatic requirements of this part.

Persons employed or under contract to provide services pursuant

to this part shall be subject to all applicable requirements of law respecting professional licensure, and no person shall be employed to provide services for which a license is required unless the person possesses a currently valid license.

Each staff team shall include, at a minimum, a psychiatrist, a psychologist, a social worker, and a registered nurse with the formal training and the practical experience to work effectively with clients with serious mental disorders.

The staff team may include unlicensed personnel to provide services for which licenses are not required.

To the fullest extent feasible members should be involved in self-help organized by members, peer support, and other activities in support of the purposes of the pilot agencies on a paid or an unpaid basis. Pilot agencies are encouraged to make the fullest possible use of all community resources, including, but not limited to, the use of volunteers to raise funds; provide technical assistance to member-operated businesses; or assist with the day-to-day operations of the agency.

Nothing in this part shall preclude members from retaining their own therapists consistent with Section 5815. The agency shall have the option of paying or not paying for the cost of any services secured independently by the client or the client's family, and shall make every effort to collaborate with the providers of these services to prevent duplicative or conflicting efforts.

(b) A plan for serving minority members. The plan should include estimates of the numbers of minority members to be served and the ways by which the agency intends to respond to the language and cultural needs of minority members. It is the intent of the Legislature that the membership of each agency approximate the racial and ethnic mix of the general population of the community in which members of the agency reside.

(c) A plan for the provision of services described in Section 5815. The plan shall include methods to be used, including identification of services to be provided directly by the pilot agencies and those to be secured by contract or other means.

(d) If the applicant owns or operates a hospital or residential facility and intends to utilize the facility for purposes of the pilot agencies, the plan should identify the anticipated cost of this use and justify the cost effectiveness. The plan should also specify the conditions under which other hospital or residential facilities not owned or operated by the applicant will be used, and the anticipated amount of use.

(e) A plan describing the residential resources the applicant intends to use, ranging from crisis residential facilities to independent living arrangements. The plan for residential services should describe methods to be used to assure that members are assisted and supported to live as independently as possible, outside specialized institutions or facilities for the mentally disordered. For members who may require care in specialized institutions or

residential facilities, the plan shall describe methods to be used to assure that these facilities shall be staffed with sufficient expertise to assist members in achieving the objectives in their personal service plans, and that the daily activities of the members shall be constructive, purposeful, productive, and consistent with their intellectual, cultural, and personal interest.

(f) The plan for residential services should also include provisions for offering consultation, technical assistance, and other support as needed, to the operators of residential services for members or their family caregivers.

(g) A plan for the provision of services for members who may require services on an involuntary basis under the provisions of the Lanterman-Petris-Short Act, Part 1 (commencing with Section 5000).

The plan shall include agreements with hospitals from which pilot agencies purchase hospital services. Payment for hospital services shall be an obligation of the pilot agency if a member is hospitalized involuntarily, regardless of the existence of a payment agreement.

All of the following persons shall participate in determining the treatment and discharge of members placed voluntarily or involuntarily in local or state hospitals:

(1) The director of the pilot agency or his or her designee.

(2) The member or the member's conservator or guardian, if any.

(3) The attending staff responsible for treatment of the member within the local or state hospital.

(h) A plan for services to members admitted to the pilot service agency following a first psychotic "break." The plan shall include the provision of family information and counseling services pursuant to paragraph (11) of subdivision (c) of Section 5815, within three days of a member's admission. If admission procedures are initiated while the person is in a psychiatric inpatient facility, the plan shall include assignment of a staff team as defined in subdivision (a) of Section 5816 and referral to a peer support or self-help group prior to discharge from the psychiatric inpatient facility.

(i) A plan for the provision of vocational skills training and employment services. The plan shall include reference to the employment, educational, and skills training services to be provided directly by the pilot agencies and those to be secured by purchase of service or other means. A pilot agency shall utilize community college programs for the seriously mentally disordered where available and shall offer consultation to community colleges in the development of these programs.

SEC. 10. Section 5825 of the Welfare and Institutions Code is amended to read:

5825. Unless requested by the department and approved by the Legislature, the total annual amount requested in each fiscal year for the budgets of the contracted pilot agencies, serving no more than 400 clients, shall not exceed either one-fourth the average annual estimated cost of serving 400 patients in state hospitals in the same

year, or the average annual estimated cost of serving 400 clients in the conditional release program in the same year, whichever is less. The base budget for the integrated service system shall not include, and is in addition to, any income received by clients from SSI/SSP, SSDI, or other public income maintenance cash grants.

Pilot agencies shall be funded through annual performance contracts with the department. The department shall negotiate performance contracts to:

(a) Provide for the prepayment of a fixed capitated amount for all members to be served per annum without regard to the type or amount of services to be provided to any individual member. The department may contract for different prepaid amounts with each of the pilot agencies. Funding amounts may be adjusted in future years consistent with Section 5828.

(b) Provide pilot agencies with periodic advance payments for a specified number of members. After the first advance payment, succeeding advance payments are to be paid when performance pursuant to stipulation of the contract has been affirmed by the department. No advance payment shall exceed 25 percent of the total annual contracted amount. Pilot agencies shall be evaluated at least once annually, and shall be monitored regularly by the department.

(c) Provide the department with all the information needed to evaluate the financial and program performance of the pilot agencies.

SEC. 11. Section 5832 of the Welfare and Institutions Code is amended to read:

5832. (a) An advisory committee is hereby established to advise and consult with the Director of Mental Health on all aspects of the demonstration county and pilot service agency projects.

(b) The committee shall include representatives from the Conference of Local Mental Health Directors, the California Council on Mental Health, the Organization of Mental Health Advisory Boards, the California Alliance for the Mentally Ill, the California Network of Mental Health Clients, the Public Guardian's Association, the California Council of Community Mental Health Contractors, the Task Force for the Seriously Mentally Ill and representatives from organizations or groups representing older adults and ethnic minorities, and other appropriate constituency and consumer groups as determined by the Director of Mental Health. The panel of advisers shall also include a psychiatrist and a social worker, with distinguished experience in the provision of services to persons with serious mental disorders, who shall be appointed by the Senate Rules Committee; a nurse and a psychologist, with distinguished experience in the provision of services to persons with serious mental disorders, who shall be appointed by the Speaker of the Assembly; and two persons who have experienced mental disorders, as defined in subdivisions (a) to (e), inclusive, of Section 5831, and two family members, as defined in subdivision (c) of Section 5813, who shall be

appointed by the Governor. No person shall be appointed to the panel of advisers who would have a financial conflict of interest as a result of the appointment.

(c) The functions of the advisory committee may include, but are not limited to, assistance in the development of the request for proposals, consultation to the demonstration counties and pilot agencies, reviews of the annual progress reports, and participation in determining if demonstration counties and pilot agencies have provided substantial progress toward the goals listed in Section 5834, and other duties as determined by the Director of Mental Health.

(d) The director or his or her designee shall chair meetings of the advisory committee, which shall be called at his or her discretion at least four times annually. Panel members shall be reimbursed for necessary travel and per diem costs at customary state rates.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that contracts for these services and programs will be in place by the beginning of the 1989–90 fiscal year, thereby facilitating the provision of needed mental health services in order to prevent harm to seriously mentally disordered persons, including, but not limited to, unnecessary institutionalization, it is necessary that this act take effect immediately.

CHAPTER 76

An act to amend Section 8283 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8283 of the Public Utilities Code is amended to read:

8283. (a) The commission shall require each electric, gas, and telephone corporation with gross annual revenues exceeding twenty-five million dollars ($25,000,000) and their commission-regulated subsidiaries and affiliates, to submit annually, a detailed and verifiable plan for increasing women and minority business enterprise procurement in all categories.

(b) These annual plans shall include short- and long-term goals and timetables, but not quotas, and shall include methods for encouraging both prime contractors and grantees to engage women and minority business enterprises in subcontracts in all categories

which provide subcontracting opportunities.

(c) The commission shall establish guidelines for all electric, gas, and telephone corporations with gross annual revenues exceeding twenty-five million dollars ($25,000,000) and their commission-regulated subsidiaries and affiliates, to be utilized in establishing programs pursuant to this article.

(d) Every electric, gas, and telephone corporation with gross annual revenues exceeding twenty-five million dollars ($25,000,000) shall furnish an annual report to the commission regarding the implementation of programs established pursuant to this article in such form as the commission shall require, and at the time that the commission shall annually designate.

(e) The commission shall provide an annual report to the Legislature on September 1 of each year, on the progress of activities undertaken by each electric, gas, and telephone corporation with gross annual revenues exceeding twenty-five million dollars ($25,000,000) pursuant to this article in the implementation of women and minority business enterprise development programs. The commission shall recommend a program for carrying out the policy declared in this article, together with recommendations for legislation that it deems necessary or desirable to further that policy.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Changing the date that the Public Utilities Commission submits its annual report to the Legislature on the progress of activities to implement women and minority enterprise development programs will permit the inclusion of the data of the most current year, thereby resulting in a more timely, meaningful report. In order to effect this beneficial change at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 77

An act to amend, repeal, and add Sections 11310, 11320.21, 11320.3, 11320.5, 11320.6, and 11320.7 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11310 of the Welfare and Institutions Code is amended to read:

11310. (a) Except as provided in subdivision (b), every

individual, as a condition for eligibility for aid under this chapter, shall register for manpower services, training, and employment.

(b) The following individuals are not required to register:

(1) An individual under 16 years.

(2) A child attending an elementary, secondary, vocational, or technical school on a full-time basis. For purposes of this subdivision, school does not include postsecondary education.

(3) An individual who is ill, incapacitated, or of advanced age.

(4) An individual so remote from a program component that his or her effective participation is precluded.

(5) An individual whose presence in the home is required because of illness or incapacity of another member of the household.

(6) A parent or other relative who meets the criteria described in subparagraph (A) or (B).

(A) Has primary responsibility for personally providing care to a child under the age of three years.

(B) Has primary responsibility for personally providing care to a child aged three to five years, inclusive, unless it is guaranteed that: (1) child care will be provided and (2) participation will not be required for more than 20 hours per week.

(C) In a family eligible for Aid to Families with Dependent Children payments due to the unemployment of the principal wage earner, the exemption criteria contained in subparagraph (A) or (B) shall be applied to only one parent.

(7) A woman who is pregnant and it has been medically verified that the anticipated delivery date is the month of required participation or is within the six-month period immediately following the month of required participation.

(8) An individual who is working not less than 30 hours per week in unsubsidized employment which is expected to last a minimum of 30 days This exemption continues to apply if there is a temporary break in full-time employment which is expected to last no longer than 10 working days.

(c) Any individual not required to register may choose to register voluntarily for manpower services, training, and employment, and may withdraw that registration at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way which would require registration.

(d) Notwithstanding subdivision (a), a parent who is 18 or 19 years old and who has not earned a high school diploma or its equivalent, and who is not exempt or whose only basis for exemption is subparagraph (A) of paragraph (6) of subdivision (b), shall be required to register solely for the purpose of earning a high school diploma or its equivalent. Notwithstanding subparagraph (B) of paragraph (6) of subdivision (b), full-time participation shall be required of the parent.

Custodial mothers aged 18 and 19 years shall be exempted from participation for medical reasons after the birth of the child. The length of the exemption period shall be consistent with current

practices under Division 1 (commencing with Section 2601) of Part 2 of the Unemployment Insurance Code.

(e) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 2. Section 11310 is added to the Welfare and Institutions Code, to read:

11310. (a) Except for individuals provided for in Section 11251 and as provided in subdivision (b), every individual, as a condition for eligibility for aid under this chapter, shall register for manpower services, training, and employment.

(b) The following individuals are not required to register:

(1) An individual under 16 years.

(2) A child attending school full time. For purposes of this subdivision, school does not include postsecondary education.

(3) An individual who is ill, incapacitated, or of advanced age.

(4) An individual so remote from a work incentive project that his or her effective participation is precluded.

(5) An individual whose presence in the home is required because of illness or incapacity of another member of the household.

(6) A parent with primary responsibility for the care of a child under the age of six years or other relative who is caring for that child if the parent or adult relative is providing care with only brief or infrequent absences from the child.

(7) A parent or other relative who is caring for a child if the other parent or another adult relative meets all of the following requirements:

(A) The other parent or adult relative is in the home.

(B) He or she is not excluded by paragraph (1), (2), (3), (4), or (5) of this subdivision.

(C) He or she has not failed to register as required by this section or has not been found pursuant to Chapter 4 (commencing with Section 5300) of Division 2 of the Unemployment Insurance Code to have refused without good cause to participate under a work incentive program or to accept employment, to the extent not in conflict with federal law.

(8) An individual who is working not less than 30 hours per week in unsubsidized employment which is expected to last a minimum of 30 days. This exemption continues to apply if there is a temporary break in full-time employment which is expected to last no longer than 10 working days.

(c) Any individual not required to register may choose to register voluntarily for manpower services, training, and employment, and may withdraw that registration at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way which would require registration.

(d) This section shall become operative on January 1, 1991.

SEC. 2.5. Section 11320.21 of the Welfare and Institutions Code is amended to read:

11320.21. (a) Counties shall continually monitor their program expenditures throughout the fiscal year. If a county determines that its anticipated expenditures will exceed the amount of that year's allocations as a result of an unexpected event, including caseload increases, court cases, or significant justifiable increases in component costs, the county shall immediately notify the department and submit a reduction plan, developed in accordance with subdivision (d), to the department.

(b) The department shall review and respond to a county's proposed reduction plan within 30 days of receipt of the plan. The department may provide additional funds for the existing appropriation to forestall the need for county program reductions. If the department does not respond within 30 days, the plan shall be deemed to be approved. If the department disapproves the reduction plan, the county shall continue to provide services as specified in the approved plan. The department shall submit within 30 days of the disapproval of a reduction plan, a report to the Joint Legislative Budget Committee setting forth the reason for the department's disapproval.

(c) A county's approved reduction plan shall remain in effect for no longer than the duration of the fiscal year in which the plan is approved. At the beginning of the following fiscal year, the county shall provide services pursuant to its approved program plan.

(d) (1) Each county for which reductions are necessitated by this section shall develop a reduction plan in accordance with this subdivision. Reductions shall be proposed only to the extent necessary to bring anticipated expenditures within the amounts allocated to the county for the fiscal year. If reductions are necessary, it is the intent of the Legislature to allow persons who are already participating in components of the program established pursuant to this article to continue their participation to the extent possible.

(2) During the initial phase-in period, counties may serve applicants and recipients. However, if a county determines that it must implement reductions during its phase-in period, it shall halt its program intake in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Family Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of subparagraph (4). For purposes of this section, "volunteer registrants" means recipients who voluntarily register under this article although exempt from registration pursuant to Section 11310.

(D) Recipients in accordance with the priorities specified in subparagraphs (A) to (G), inclusive, of paragraph (4).

No phase-in plan shall be approved which is likely to result in the subsequent removal of a disproportionate number of active participants from the program if reductions are implemented

pursuant to paragraphs (3) and (4).

(3) A county that has fully implemented its program shall first exclude those individuals who are not actively participating in the program established pursuant to this chapter. The county shall exclude those individuals in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Families Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of subparagraph (4).

(D) Recipients whose program status changes from exempt to mandatory.

(E) Recipients who lose their deferral status.

(4) If the reductions in paragraph (2) or (3) are insufficient to bring anticipated expenditures within the amounts allocated to the county, the county shall temporarily exclude from program participation those recipients who are participating in a program component under a basic or amended contract, in the following order:

(A) Temporary exclusion of all volunteers excluding teenage parents.

(B) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid for less than one year.

(C) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid continuously for less than two years.

(D) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid for less than one year.

(E) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid continuously for less than two years.

(F) Temporary exclusion of volunteer teenage parent registrants.

(G) Temporary exclusion of all remaining Aid to Families with Dependent Children recipients, based on the time on aid, with recipients who have been on aid the longest being the last to be excluded.

(5) Persons identified as excluded shall be excluded from participation throughout the fiscal year without regard to changes in exclusionary status. However, these persons may be served if funds become available within the fiscal year and in accordance with paragraph (6).

(6) With the exception of applicants and volunteer registrants, all excluded persons who express a desire to participate in the program established under this chapter shall be served, except when their participation would interrupt services to individuals already participating in this program. However, the procedures contained in

subdivisions (a) and (b) of Section 11320.6 shall apply when persons who would otherwise be mandatory registrants subsequently fail or refuse to participate without good cause. The procedures contained in subdivision (c) of Section 11320.6 shall apply to persons who would otherwise be voluntary registrants and who subsequently fail or refuse to participate without good cause.

(7) (A) Notwithstanding paragraph (6), the following excluded persons, who would otherwise qualify as mandatory registrants, and who express a desire to participate in the program shall be served, except when their participation would interrupt service to individuals already participating in the program:

(i) Recipients who have received Aid to Families with Dependent Children payments for 36 of the 60 preceding months.

(ii) Applicants who have received Aid to Families with Dependent Children payments for 36 of the 60 months preceding the most recent date of application.

(iii) Parents under the age of 24 years who: (1) have not earned a high school diploma or its equivalent and are not enrolled in high school or an equivalency program; or (2) have little or no work experience within the preceding year.

(iv) Members of families in which the youngest child is within two years of ineligibility for Aid to Families with Dependent Children payments due to age.

(B) The procedures contained in subdivision (a) or (b) of Section 11320.6 shall apply when persons who would otherwise be mandatory registrants and who participate pursuant to this paragraph subsequently fail or refuse to participate without good cause.

(e) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 3. Section 11320.21 is added to the Welfare and Institutions Code, to read:

11320.21. (a) Counties shall continually monitor their program expenditures throughout the fiscal year. If a county determines that its anticipated expenditures will exceed the amount of that year's allocations as a result of an unexpected event, including caseload increases, court cases, or significant justifiable increases in component costs, the county shall immediately notify the department and submit a reduction plan, developed in accordance with subdivision (d), to the department.

(b) The department shall review and respond to a county's proposed reduction plan within 30 days of receipt of the plan. The department may provide additional funds for the existing appropriation to forestall the need for county program reductions. If the department does not respond within 30 days, the plan shall be deemed to be approved. If the department disapproves the reduction plan, the county shall continue to provide services as specified in the approved plan. The department shall submit within 30 days of the disapproval of a reduction plan, a report to the Joint

Legislative Budget Committee setting forth the reason for the department's disapproval.

(c) A county's approved reduction plan shall remain in effect for no longer than the duration of the fiscal year in which the plan is approved. At the beginning of the following fiscal year, the county shall provide services pursuant to its approved program plan.

(d) (1) Each county for which reductions are necessitated by this section shall develop a reduction plan in accordance with this subdivision. Reductions shall be proposed only to the extent necessary to bring anticipated expenditures within the amounts allocated to the county for the fiscal year. If reductions are necessary, it is the intent of the Legislature to allow persons who are already participating in components of the program established pursuant to this article to continue their participation to the extent possible.

(2) During the initial phase-in period, counties may serve applicants and recipients. However, if a county determines that it must implement reductions during its phase-in period, it shall halt its program intake in the following order.

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Family Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of paragraph (4). For purposes of this section, "volunteer registrants" means recipients who voluntarily register under this article although exempt from registration pursuant to Section 11310.

(D) Recipients in accordance with the priorities specified in subparagraphs (A) to (G), inclusive, of paragraph (4).

No phase-in plan shall be approved which is likely to result in the subsequent removal of a disproportionate number of active participants from the program if reductions are implemented pursuant to paragraphs (3) and (4).

(3) A county that has fully implemented its program shall first exclude those individuals who are not actively participating in the program established pursuant to this chapter. The county shall exclude those individuals in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Families Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of paragraph (4).

(D) Recipients whose program status changes from exempt to mandatory.

(E) Recipients who lose their deferral status.

(4) If the reductions in paragraph (2) or (3) are insufficient to bring anticipated expenditures within the amounts allocated to the county, the county shall temporarily exclude from program

participation those recipients who are participating in a program component under a basic or amended contract, in the following order:

(A) Temporary exclusion of all volunteers excluding teenage parents.

(B) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid for less than one year.

(C) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid continuously for less than two years.

(D) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid for less than one year.

(E) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid continuously for less than two years.

(F) Temporary exclusion of volunteer teenage parent registrants.

(G) Temporary exclusion of all remaining Aid to Families with Dependent Children recipients, based on the time on aid, with recipients who have been on aid the longest being the last to be excluded.

(5) Persons identified as excluded shall be excluded from participation throughout the fiscal year without regard to changes in exclusionary status. However, these persons may be served if funds become available within the fiscal year and in accordance with paragraph (6).

(6) With the exception of applicants and volunteer registrants, all excluded persons who express a desire to participate in the program established under this chapter shall be served, except when their participation would interrupt services to individuals already participating in this program. However, the procedures contained in subdivisions (a) and (b) of Section 11320.6 shall apply when persons who would otherwise be mandatory registrants subsequently fail or refuse to participate without good cause. The procedures contained in subdivision (c) of Section 11320.6 shall apply to persons who would otherwise be voluntary registrants and who subsequently fail or refuse to participate without good cause.

(e) This section shall become operative on January 1, 1991.

SEC. 3.5. Section 11320.3 of the Welfare and Institutions Code is amended to read:

11320.3. (a) Each plan submitted pursuant to Section 11320.2 shall contain a methodology for the provision of job services, training and education, and supportive services to program participants. This methodology shall specify how county welfare departments will cooperate with, and maximize the use of, education, child care, resource and referral agencies, job service, and other appropriate local service providers. To the extent existing programs are available to county residents, each plan submitted pursuant to Section 11320.2

shall specify the manner in which these programs shall be utilized to provide services specified in this section. The county may provide services directly to program participants or enter into interagency agreements or contracts with private or public agencies for the provision of these services.

(b) Each county shall specify in its plan its target groups and the choices that shall be made available to each target group, pursuant to Section 11320.4. The county shall make available all of its programs to each target group, but may give priorities for certain programs to groups for whom these programs are reasonably expected to be the most effective.

(c) As provided in the contract entered into pursuant to Section 11320.5, job services shall include, but not be limited to, all of the following:

(1) Job club, which shall consist of both of the following:

(A) Job search workshops. These job search workshops shall be group training sessions where participants learn various job finding skills, including training in basic job seeking skills, job development skills, job interviewing skills, understanding employer requirements and expectations, and how to enhance self-esteem, self-image, and confidence.

(B) Supervised job search, which shall include, but not be limited to, access to phone banks in a clean and well-lighted place, job orders, direct referrals to employers, or other organized methods of seeking work which are overseen, reviewed, and criticized by a trained employment professional. The amount and type of activity required during this supervised job search period shall be determined by the county and the participant, based on the participant's employment history and need for supportive services, and shall be consistent with regulations developed by the department.

(2) Unsupervised job search. The individual shall seek work in his or her own way, and make periodic progress reports no less frequently than every two weeks to the county welfare department or the agency contracting with that department.

(3) Job placement, which shall include, but not be limited to, referrals to jobs listed by employers with the State Job Service.

(4) Job development, which shall be active assistance in seeking employment provided to a participant by a trained employment professional on a one-to-one basis.

(5) Employment counseling, which shall be counseling aimed at helping a person reach an informed decision on an appropriate employment goal.

(6) Notwithstanding any other provision of this article, participation in job search activities shall be limited to eight weeks in any 12 consecutive month period, except that an additional eight weeks of job search activities shall be allowed if it is required in conjunction with other education, training, or employment activity. This paragraph is intended to implement the limitations contained in the Family Support Act of 1988 (P.L. 100-485), and shall not be

construed to permit job search activities that are not specifically provided for elsewhere in this article.

(d) As provided in the contract entered into pursuant to Section 11320.5, training and education services include, but are not limited to, all of the following:

(1) Job training, which shall include, but is not limited to, training in employer-specific job skills in a classroom or onsite setting, including training provided by local private industry council programs and community colleges.

(2) Preemployment preparation shall be work for a public or nonprofit agency that provides the participant with either of the following:

(A) Basic preemployment preparation, which shall provide work behavior skills and a reference for future unsubsidized employment.

(B) Advanced preemployment preparation, which shall provide on-the-job enhancement of existing participant skills in a position related to a participant's experience, training, or education acquired as a result of the services funded pursuant to a contract entered into pursuant to Section 11320.5.

A short-term preemployment preparation assignment shall be for not longer than three months, and may be provided as a preparation for other education and training services as a part of the contract amendments pursuant to subdivision (d) and (e) of Section 11320.5. A long-term preemployment preparation assignment shall not exceed one year.

(C) Except for persons subject to subparagraph (D), the number of hours a person participates in a preemployment preparation program shall be determined by dividing his or her aid grant under this chapter, less any child support paid to the county, by the average hourly wage for all job orders placed with the Employment Development Department. The average hourly wage shall be updated annually every July 1. No preemployment preparation assignment shall exceed 32 hours per week.

(D) If a person participates in a preemployment preparation assignment for nine months, the number of hours that person is required to participate shall be recomputed by the county welfare department. Beginning in the 10th month, the number of hours of preemployment preparation shall be determined by dividing a person's aid grant under this chapter, less any child support paid to the county, by the prevailing rate of pay for the same or similar job at the site to which the person is assigned. In no case shall the prevailing rate of pay fall below the average hourly wage for job orders placed with the Employment Development Department, as provided in subparagraph (C). No preemployment preparation assignment shall exceed 32 hours per week.

(3) Adult basic education, which shall be preemployment basic education, including reading, writing, and arithmetic necessary for employment or job training, including high school proficiency.

(4) College and community college education, when that

education provides sufficient employment skills training that can reasonably be expected to lead to employment.

(5) Vocational English-as-a-second-language which shall be intensive instruction in English for non-English speaking participants, coordinated with specific job training.

(6) Grant diversion.

(7) Supported work.

(8) Transitional employment.

For purposes of paragraph (6), "grant diversion" means public or private sector employment or on-the-job training at comparable wage rates, in which the recipient's cash grant, or a portion thereof, or the welfare grant savings from employment, is diverted to the employer as a wage subsidy.

For purposes of paragraphs (7) and (8), "supported work or transitional employment" means a form of grant diversion in which the recipient's cash grant, or a portion thereof, or the welfare grant savings from employment, is diverted to an intermediary service provider.

Grant diversion, supported work, and transitional employment projects shall be administered so that the recipient shall not receive less disposable income than if he or she had not participated in the project. "Disposable income" means the income available to the recipient by adding the aid payment acquired pursuant to this chapter and earnings from the grant diversion project and subtracting the allowable employment related expenses.

The grant, a portion of the grant, or the estimated savings due to the earnings from a grant diversion project may be diverted into a special fund created by the county welfare department for this purpose. An employer may be reimbursed from the special fund pursuant to a contract developed by the county welfare department or the service delivery area with the employer.

The county shall obtain agreements with employers that participants will be employed upon successful completion of the grant diversion, supported work, or transitional employment period in any related job openings, and that employers will not discriminate against participants on the basis of race, sex, national origin, age, or disability. A participating employer or service provider shall obtain and maintain a surety bond in an amount equal to the total annual grant diverted to the employer or service provider. Except as provided in subdivision (b) of Section 11320.6, there shall be no interruption in receipt of income, whether wages from the employer or aid payments by the department, caused by an employer's conduct. No grant diversion, supported work, and transitional employment program shall be implemented under this article until a plan for such a program is approved by the department. No plan for grant diversion supported work or transitional employment programs shall be approved if the plan would jeopardize federal financial participation. Standards established by the department for purposes of these programs shall not preclude a significant portion

of recipients from participation.

A plan submitted under this subparagraph shall include provisions for immediate reissuance to the recipient of any grant or portion of a grant paid to an employer or intermediary, which has been lost due to fraud, malfeasance, or theft on the part of the employer or intermediary. This plan shall also include provisions for reissuance to the recipient of any grant or portion of a grant paid to an employer or intermediary, when the recipient is determined to have had good cause for declining to participate pursuant to Section 11320.7. In the event that funds are lost due to fraud, malfeasance, or theft by an employer, the county shall initiate an action to recover from the employer or intermediary any of those funds.

(e) As provided in the contract pursuant to Section 11320.5, supportive services shall include, but are not limited to, all of the following:

(1) Child care. Paid child care shall be available to every participant with a child under 12 years of age who needs it in order to participate in the program component to which he or she is assigned.

(2) Transportation costs shall be paid for every participant to and from his or her job or training assignment.

(3) Ancillary expenses, which shall include the cost of books, tools, clothing, fees, and other necessary costs of a work or training assignment.

(4) Personal counseling. A participant who has personal or family problems that would affect the outcome of the employment plan entered into pursuant to Section 11320.5 shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(f) Payments for supportive services, as described in subdivision (e), shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services.

If the participant is working in unsubsidized employment after having participated in this program, child care shall be available for a transition period of not less than three months. If the participant is working in unsubsidized employment after having participated in this program, coverage under the Medi-Cal program shall also be provided for a transition period consistent with federal requirements.

The cost of support services, including reimbursement to licensed day care providers, shall be governed by regional market rates. Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service. Participants shall be allowed to choose legal child care and the cost of that child care shall be reimbursed by counties if the cost is within the regional market rate. The regional market rate means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. Reimbursement shall be made at a rate lower than that

charged to private clients for the same service if the child care program agrees to charge a lower fee. Reimbursement shall be made on a per month, per week, per day, or per hour basis depending upon the basis used to charge private clients for the same service. For purposes of this section, regional market rates shall be determined in accordance with resource and referral programs provided for under Article 2 (commencing with Section 8210) of Chapter 2 of Part 6 of the Education Code, and the Alternative Payment Program provided for under Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of the Education Code. Participant plans shall include immediate referrals to local resource and referral agencies. The department shall use the State Department of Education sliding scale fee schedule for participants receiving child care. Day care by family members shall be encouraged, but the choice between licensed or exempt day care arrangements shall be made by the recipient.

(g) Each county welfare department shall be encouraged to contract with existing service providers for any or all child care services arrangements. If the county welfare department elects to contract with any child care provider which is also under contract with the State Department of Education, these contracts shall be consistent with, and shall not supersede, all of the following:

(1) Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code.

(2) Applicable provisions of Title 5 and Title 22 of the California Code of Regulations.

(3) Applicable State Department of Education contract provisions.

(h) In order to provide maximum choice to parents, and to ensure the availability of child care, each county shall do all of the following:

(1) Assist participants to locate child care during and after participation under this article.

(2) Allow and promote parent choice by providing flexibility in child care arrangements and establishing payment arrangements, as necessary, to meet the cost of licensed or exempt child care settings.

(3) Assist in the development of new child care capacity, where needed.

(4) Provide for the continuity of child care during the participants postprogram transition period consistent with subdivision (f).

(5) Provide services to meet the child care needs of all children in the participant's family up to the age of 12 years.

(6) Provide child care to participants whose program demands flexible hours of care including evening, weekends, and split shifts.

(7) To the extent possible provide for transportation of children from school to care, if reasonable and necessary.

The county may contract with the public and private child care programs to provide any or all of the services specified in this subdivision.

(i) Resource and referral programs shall assist the county welfare

departments to determine the child care needs of Greater Avenues for Independence participants, provide them with a listing of available child care services in the service area, and facilitate the efforts of county welfare departments, school districts, local child care providers and parent groups for the expansion of child care services.

(j) If the county welfare department or a contractor pays for child care services which are exempt from licensure, all of the following information about the care giver shall be on file with the county welfare department or the contractor and shall be made available to the participant:

(1) The name and address of the care provider.

(2) The address where care is to be provided.

(3) The hours care is to be provided and the charge for this care.

(4) The names, addresses and telephone number of two character references.

(5) A copy of a valid California driver's license or other identification to establish that the care giver is at least 18 years old.

(6) A statement from the caregiver as to his or her health education, experience or other qualification, criminal record, and names and ages of other persons in the home or providing care.

(k) The department, under the direction of the Health and Welfare Agency, the Chancellor's office of the California Community Colleges, and the State Department of Education shall each develop and implement regulations whereby any payment for services from funds appropriated for the purposes of this article and delivered pursuant to subdivision (d) by a county or an entity contracting with a county shall be made in accordance with a competitively selected fixed unit price performance-based contract. Under these contracts, full payment shall not be considered earned until either of the following has occurred:

(1) The participant has successfully completed the education program.

(2) The participant has successfully completed the job training program and has been retained in unsubsidized employment for at least 180 days.

Up to 70 percent of the fixed unit price for job training may be paid upon placement. At least 30 percent of the fixed unit price for job training shall be withheld for the followup during the 180-day retention period. Progress payments shall be made from this portion upon evidence of job retention at 30, 90, and 180 days. A pro rata share of the 70 percent payment shall be paid to the training provider if the participant fails to complete the training.

(*l*) Whenever a plan entered into pursuant to Section 11320.5 provides for the use of education services provided for in subdivision (d), utilization of each education program component shall not exceed two academic years.

(m) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which

is enacted before January 1, 1991, deletes or extends that date.

SEC. 4. Section 11320.3 is added to the Welfare and Institutions Code, to read:

11320.3. (a) Each plan submitted pursuant to Section 11320.2 shall contain a methodology for the provision of job services, training and education, and supportive services to program participants. This methodology shall specify how county welfare departments will cooperate with, and maximize the use of, education, child care, resource and referral agencies, job service, and other appropriate local service providers. To the extent existing programs are available to county residents, each plan submitted pursuant to Section 11320.2 shall specify the manner in which these programs shall be utilized to provide services specified in this section. The county may provide services directly to program participants or enter into interagency agreements or contracts with private or public agencies for the provision of these services.

(b) Each county shall specify in its plan its target groups and the choices that shall be made available to each target group, pursuant to Section 11320.4. The county shall make available all of its programs to each target group, but may give priorities for certain programs to groups for whom these programs are reasonably expected to be the most effective.

(c) As provided in the contract entered into pursuant to Section 11320.5, job services shall include, but not be limited to, all of the following:

(1) Job club, which shall consist of both of the following:

(A) Job search workshops. These job search workshops shall be group training sessions where participants learn various job finding skills, including training in basic job seeking skills, job development skills, job interviewing skills, understanding employer requirements and expectations, and how to enhance self-esteem, self-image, and confidence.

(B) Supervised job search, which shall include, but not be limited to, access to phone banks in a clean and well-lighted place, job orders, direct referrals to employers, or other organized methods of seeking work which are overseen, reviewed, and criticized by a trained employment professional. The amount and type of activity required during this supervised job search period shall be determined by the county and the participant, based on the participant's employment history and need for supportive services, and shall be consistent with regulations developed by the department.

(2) Unsupervised job search. The individual shall seek work in his or her own way, and make periodic progress reports no less frequently than every two weeks to the county welfare department or the agency contracting with that department.

(3) Job placement, which shall include, but not be limited to, referrals to jobs listed by employers with the State Job Service.

(4) Job development, which shall be active assistance in seeking employment provided to a participant by a trained employment

professional on a one-to-one basis.

(5) Employment counseling, which shall be counseling aimed at helping a person reach an informed decision on an appropriate employment goal.

(d) As provided in the contract entered into pursuant to Section 11320.5, training and education services include, but are not limited to, all of the following:

(1) Job training, which shall include, but is not limited to, training in employer-specific job skills in a classroom or onsite setting, including training provided by local private industry council programs and community colleges.

(2) Preemployment preparation shall be work for a public or nonprofit agency that provides the participant with either of the following:

(A) Basic preemployment preparation, which shall provide work behavior skills and a reference for future unsubsidized employment.

(B) Advanced preemployment preparation, which shall provide on-the-job enhancement of existing participant skills in a position related to a participant's experience, training, or education acquired as a result of the services funded pursuant to a contract entered into pursuant to Section 11320.5.

A short-term preemployment preparation assignment shall be for not longer than three months, and may be provided as a preparation for other education and training services as a part of the contract amendments pursuant to subdivision (d) and (e) of Section 11320.5. A long-term preemployment preparation assignment shall not exceed one year. The number of hours a person participates in a preemployment preparation program shall be determined by adding his or her aid grant under this chapter, less any child support paid to the county, and his or her food stamp allotment and dividing by the average hourly wage for all job orders placed with the Employment Development Department. The average hourly wage shall be updated annually every July 1. No preemployment preparation assignment shall exceed 32 hours per week.

(3) Adult basic education, which shall be preemployment basic education, including reading, writing, and arithmetic necessary for employment or job training, including high school proficiency.

(4) College and community college education, when that education provides sufficient employment skills training that can reasonably be expected to lead to employment.

(5) Vocational English-as-a-second-language which shall be intensive instruction in English for non-English speaking participants, coordinated with specific job training.

(6) Grant diversion.

(7) Supported work.

(8) Transitional employment.

For purposes of paragraph (6), "grant diversion" means public or private sector employment or on-the-job training at comparable wage rates, in which the recipient's cash grant, or a portion thereof,

or the welfare grant savings from employment, is diverted to the employer as a wage subsidy.

For purposes of paragraphs (7) and (8), "supported work or transitional employment" means a form of grant diversion in which the recipient's cash grant, or a portion thereof, or the welfare grant savings from employment, is diverted to an intermediary service provider.

Grant diversion, supported work, and transitional employment projects shall be administered so that the recipient shall not receive less disposable income than if he or she had not participated in the project. "Disposable income" means the income available to the recipient by adding the aid payment acquired pursuant to this chapter and earnings from the grant diversion project and subtracting the allowable employment related expenses.

The grant, a portion of the grant, or the estimated savings due to the earnings from a grant diversion project may be diverted into a special fund created by the county welfare department for this purpose. An employer may be reimbursed from the special fund pursuant to a contract developed by the county welfare department or the service delivery area with the employer.

The county shall obtain agreements with employers that participants will be employed upon successful completion of the grant diversion, supported work, or transitional employment period in any related job openings, and that employers will not discriminate against participants on the basis of race, sex, national origin, age, or disability. A participating employer or service provider shall obtain and maintain a surety bond in an amount equal to the total annual grant diverted to the employer or service provider. Except as provided in subdivision (b) of Section 11320.6, there shall be no interruption in receipt of income, whether wages from the employer or aid payments by the department, caused by an employer's conduct. No grant diversion, supported work, and transitional employment program shall be implemented under this article until a plan for such a program is approved by the department. No plan for grant diversion supported work or transitional employment programs shall be approved if the plan would jeopardize federal financial participation. Standards established by the department for purposes of these programs shall not preclude a significant portion of recipients from participation.

A plan submitted under this subparagraph shall include provisions for immediate reissuance to the recipient of any grant or portion of a grant paid to an employer or intermediary, which has been lost due to fraud, malfeasance, or theft on the part of the employer or intermediary. This plan shall also include provisions for reissuance to the recipient of any grant or portion of a grant paid to an employer or intermediary, when the recipient is determined to have had good cause for declining to participate pursuant to Section 11320.7. In the event that funds are lost due to fraud, malfeasance, or theft by an employer, the county shall initiate an action to recover from the

employer or intermediary any of those funds.

(e) As provided in the contract pursuant to Section 11320.5, supportive services shall include, but are not limited to, all of the following:

(1) Child care. Paid child care shall be available to every participant with a child under 12 years of age who needs it in order to participate in the program component to which he or she is assigned.

(2) Transportation costs shall be paid for every participant to and from his or her job or training assignment.

(3) Ancillary expenses, which shall include the cost of books, tools, clothing, fees, and other necessary costs of a work or training assignment.

(4) Personal counseling. A participant who has personal or family problems that would affect the outcome of the employment plan entered into pursuant to Section 11320.5 shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(f) Payments for supportive services, as described in subdivision (e), shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services.

If the participant is working in unsubsidized employment after having participated in this program, child care shall be available for a transition period of not less than three months. If the participant is working in unsubsidized employment after having participated in this program, coverage under the Medi-Cal program shall also be provided for a transition period consistent with federal requirements.

The cost of support services, including reimbursement to licensed day care providers, shall be governed by regional market rates. Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service. Participants shall be allowed to choose legal child care and the cost of that child care shall be reimbursed by counties if the cost is within the regional market rate. The regional market rate means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. Reimbursement shall be made at a rate lower than that charged to private clients for the same service if the child care program agrees to charge a lower fee. Reimbursement shall be made on a per month, per week, per day, or per hour basis depending upon the basis used to charge private clients for the same service. For purposes of this section, regional market rates shall be determined in accordance with resource and referral programs provided for under Article 2 (commencing with Section 8210) of Chapter 2 of Part 6 of the Education Code, and the Alternative Payment Program provided for under Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of the Education Code. Participant plans shall include immediate referrals to local resource and referral agencies.

The department shall use the State Department of Education sliding scale fee schedule for participants receiving child care. Day care by family members shall be encouraged, but the choice between licensed or exempt day care arrangements shall be made by the recipient.

(g) Each county welfare department shall be encouraged to contract with existing service providers for any or all child care services arrangements. If the county welfare department elects to contract with any child care provider which is also under contract with the State Department of Education, these contracts shall be consistent with, and shall not supersede, all of the following:

(1) Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code.

(2) Applicable provisions of Title 5 and Title 22 of the California Code of Regulations.

(3) Applicable State Department of Education contract provisions.

(h) In order to provide maximum choice to parents, and to ensure the availability of child care, each county shall do all of the following:

(1) Assist participants to locate child care during and after participation under this article.

(2) Allow and promote parent choice by providing flexibility in child care arrangements and establishing payment arrangements, as necessary, to meet the cost of licensed or exempt child care settings.

(3) Assist in the development of new child care capacity, where needed.

(4) Provide for the continuity of child care during the participants postprogram transition period consistent with subdivision (f).

(5) Provide services to meet the child care needs of all children in the participant's family up to the age of 12 years.

(6) Provide child care to participants whose program demands flexible hours of care including evening, weekends, and split shifts.

(7) To the extent possible provide for transportation of children from school to care, if reasonable and necessary.

The county may contract with the public and private child care programs to provide any or all of the services specified in this subdivision.

(i) Resource and referral programs shall assist the county welfare departments to determine the child care needs of Greater Avenues for Independence participants, provide them with a listing of available child care services in the service area, and facilitate the efforts of county welfare departments, school districts, local child care providers and parent groups for the expansion of child care services.

(j) If the county welfare department or a contractor pays for child care services which are exempt from licensure, all of the following information about the care giver shall be on file with the county welfare department or the contractor and shall be made available to the participant:

(1) The name and address of the care provider.

(2) The address where care is to be provided.

(3) The hours care is to be provided and the charge for this care.

(4) The names, addresses and telephone number of two character references.

(5) A copy of a valid California driver's license or other identification to establish that the care giver is at least 18 years old.

(6) A statement from the caregiver as to his or her health education, experience or other qualification, criminal record, and names and ages of other persons in the home or providing care.

(k) The department, under the direction of the Health and Welfare Agency, the Chancellor's office of the California Community Colleges, and the State Department of Education shall each develop and implement regulations whereby any payment for services from funds appropriated for the purposes of this article and delivered pursuant to subdivision (d) by a county or an entity contracting with a county shall be made in accordance with a competitively selected fixed unit price performance-based contract. Under these contracts, full payment shall not be considered earned until either of the following has occurred:

(1) The participant has successfully completed the education program.

(2) The participant has successfully completed the job training program and has been retained in unsubsidized employment for at least 180 days.

Up to 70 percent of the fixed unit price for job training may be paid upon placement. At least 30 percent of the fixed unit price for job training shall be withheld for the followup during the 180-day retention period. Progress payments shall be made from this portion upon evidence of job retention at 30, 90, and 180 days. A pro rata share of the 70 percent payment shall be paid to the training provider if the participant fails to complete the training.

(*l*) Whenever a plan entered into pursuant to Section 11320.5 provides for the use of education services provided for in subdivision (d), utilization of each education program component shall not exceed two academic years.

(m) This section shall become operative on January 1, 1991.

SEC. 4.5. Section 11320.5 of the Welfare and Institutions Code is amended to read:

11320.5. (a) At the time an individual applies for aid under this chapter, or at the time a recipient's eligibility for aid is redetermined, the county shall provide the individual, orally and in writing, with at least the following program information: a general description of the education, employment, and training opportunities and the supportive services available, including transitional benefits; and a description of the exemptions from required participation provided under this article and the consequences of a refusal to participate in program components if not exempt. At that time, the county shall also determine whether the individual is required to register for the

program provided under this article. At the time this determination is made, any individual who is deemed to be required to register under this article shall immediately register with the county welfare department. At the time an individual registers pursuant to this article, he or she shall receive a written preliminary determination that he or she is a member of a targeted group, for purposes of the federal Targeted Jobs Tax Credit and the California Jobs Tax Credit. With respect to any person required to register under this article, registration pursuant to subdivision (b), shall be a condition of eligibility for aid under this chapter, except that any delay in registration due to circumstances beyond the control of the individual shall not adversely affect his or her eligibility for aid under this chapter. The recipient may appeal a determination that he or she is required to register under this article or sign a basic contract pursuant to subdivision (b), through the procedures set forth in Chapter 7 (commencing with Section 10950) of Part 2. Persons not required to register may volunteer to participate. An applicant for, or a recipient of, aid who is dissatisfied with the terms of the basic contract may seek redress through informal and formal conciliation.

In accordance with procedures specified by the department, the county shall allow individuals to express their desire to participate in the program and provide instructions on how to enter the program. An indication of preference not to participate shall not exempt individuals required to register for the program from participation.

Unless otherwise exempt, all of the following persons shall not be required to participate in program components, beyond registration, until the county welfare department determines that the situation not requiring participation no longer exists:

(1) A woman who is in the first trimester of pregnancy.

(2) A person who is so seriously dependent upon alcohol or drugs that work or training is precluded.

(3) A person who is having an emotional or mental problem that precludes participation.

(4) A person who is involved in legal difficulties, such as court-maintained appearances, which preclude participation.

(5) A person who does not have the legal right to work in the United States.

(6) A person who has a severe family crisis.

(7) A person who is in good standing in a union which controls referrals and hiring in the occupation.

(8) A person who is temporarily laid off from a job with a definite call-back date.

(9) A person who is employed for 15 or more hours per week.

(10) A person, or a family member, has a medically verified illness.

(11) A parent or other adult relative caring for a child, if the parent or other adult relative meets all of the following requirements:

(A) The other parent or other adult relative is in the home.

(B) He or she is not excluded by paragraph (1), (2), (3), (4), or

(5) of subdivision (b) of Section 11310.

(C) He or she has not failed to register as required by Section 11310.

(12) A caretaker relative who is enrolled in school for at least 12 units of credit and has primary responsibility for the care of a child under six years of age.

(13) A custodial parent 16 or 17 years of age who is not currently in school and who does not possess a high school diploma.

For all other registrants, the county shall develop a preliminary employability plan. The plan shall, at a minimum, take into account the registrant's employment experience and his or her employment goals.

(b) At the time an individual registers pursuant to this article, including persons who volunteer to participate, or with respect to any individual described in paragraphs (1) to (10), inclusive, of subdivision (a) at the time the situation which permits nonparticipation no longer exists, every individual shall enter into a written basic contract with the county welfare department. The county shall offer the participant three days in which to consider and evaluate the proposed terms of this contract, or any subsequent amendments to this contract. The contract shall contain all of the following:

(1) The contract shall be written in clear and understandable language. The contract shall have a simple and easy-to-read format. The contract shall contain at least all of the following general information:

(A) A general description of the program provided for in this article.

(B) A description of the services, including supportive services such as child care and transportation, available to program participants.

(C) A description of the rights, duties and responsibilities of program participants, including a list of the exemptions from required participation under this article and the consequences of a refusal to participate in program components.

(2) In the case of any participant who has not been employed within two years from the date of registration, except for a participant described in paragraph (4), the contract shall provide that the participant shall participate in job club for a period of three weeks, as defined in paragraph (1) of subdivision (c) of Section 11320.3. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(3) In the case of any participant who has been employed within two years of the date of registration, except for a participant described in paragraph (4), the participant shall have the option to participate in a three-week period of job club, as defined in paragraph (1) of subdivision (c) of Section 11320.3, or in a three-week period of supervised job search, as defined in subparagraph (B) of paragraph (1) of subdivision (c) of Section

11320.3. At the discretion of the employment and training counselor and with the approval of the first or second line supervisor, the job search period may be shortened when it is determined that all reasonable job search efforts have been exhausted. The participant shall choose one of the options upon signing the contract. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(4) Notwithstanding paragraphs (2) and (3), in the case of any participant who has been a recipient of aid under this chapter more than twice within three years from the date of registration, the contract shall provide for immediate referral to assessment pursuant to subdivision (c). Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(5) An individual who is in a self-initiated vocational training program of limited duration or an educational program which leads to unsubsidized employment may continue to participate in that program until completion, or in the case of an educational program, for a maximum of two academic years. Participation in the vocational or educational training program shall be reflected in the basic contract. The basic contract shall provide that whenever an individual to which this paragraph applies ceases to participate in, fails or refuses to attend regularly, or does not maintain satisfactory progress in, the educational or vocational training program, the individual shall participate in this program in accordance with paragraph (2), (3), or (4), whichever is applicable.

(6) For those participants who lack basic literacy or mathematics skills, a high school diploma or its equivalent, or English language skills, the basic contract shall provide for either remedial education, instruction in order to obtain a general educational development certificate, or instruction in English-as-a-second-language. These participants shall be referred to appropriate service providers, including the educational programs operated by school districts or county offices of education that have contracted with the Superintendent of Public Instruction to provide services to participants pursuant to Section 33117.5 of the Education Code. The basic contract shall provide that when an individual, to which this paragraph applies, fails, refuses, or ceases to participate in the instruction provided for in this paragraph, without good cause, as specified in Section 11320.7, the individual shall be subject to the sanction provisions of Section 11320.6.

(7) In the case of a participant who is an applicant for aid under this chapter and who is required to register pursuant to this article, mandated activities shall be limited to those necessary to enter into a written basic contract and to participation in job search. However, a participant described in this subparagraph who is assessed as needing additional education and who chooses education over job search as his or her first program component shall not be required to participate in job search until the county has approved the registrant for aid pursuant to this chapter.

(c) A participant described in paragraph (4) of subdivision (b), and any participant described in paragraph (2) or (3) of subdivision (b) who has not obtained employment after his or her three weeks of participation in job club or supervised job search, shall work with the county welfare department to initiate the development of an employment plan. In developing the employment plan pursuant to this subdivision, the county and the participant shall develop an assessment of the skills and needs of the participant, which shall include at least all of the following:

(1) The participant's work history, including an inventory of his or her employment skills, knowledge, and abilities.

(2) The participant's educational history and present educational competency level.

(3) The participant's need for supportive services in order to obtain the greatest benefit from the employment and training services offered under this article.

(4) The employment goals of the participant, and an evaluation of the chances for the achievement of these goals given the current potential skills of the participant and the local labor market conditions.

(5) A goal to be attained upon completion of the program, including the period of time it will take to achieve this goal, and the resources available under this program for the attainment of that goal. This assessment shall be done by a person qualified by education or experience to provide counseling, guidance, assessment, or career planning. The county may contract with outside parties, including local educational agencies and service delivery areas to provide the assessment required by this subdivision.

(d) When the county and the participant have completed the assessment process required pursuant to subdivision (c), and they have agreed upon a goal to be attained under this program and the resources to be utilized in attaining that goal, the county and the participant shall amend the basic contract entered into pursuant to subdivision (b). The contract amendment shall specify the goal to be attained, the training or education services to be provided to the participant in order to attain the goal, which may consist of either one or more of the program components provided for in subdivisions (c) and (d) of Section 11320.3, and the criteria for successful completion of these services and attainment of the goal. With respect to education and training programs, the criteria shall include regular attendance, satisfactory progress, and completion of the program. The contract amendment shall provide for supportive services as necessary for participation in this program. Once the participant has begun his or her training or education, he or she shall have 30 days in which to request a change or reassignment to another component. The county shall grant the participant's request for reassignment to another component that is consistent with the results of the assessment. This grace period shall be spelled out in the contract amendment and shall be available only once to each participant.

Subject to limits specified in paragraph (6) of subdivision (c) of Section 11320.3, if services to be provided under the contract are not immediately available to the participant, he or she shall receive job search services until the education or training services designated in the contract are available.

Subject to limits specified in paragraph (6) of subdivision (c) of Section 11320.3, any individual who meets the established criteria for successful completion of the training or education services to which he or she is assigned, but who remains unemployed, shall be referred to job search services for a period of 90 days. These job search services may, depending upon the needs of the participant, include any of the services provided for in subdivision (c) of Section 11320.3. If the participant remains unemployed at the end of this 90-day job search period, he or she shall be evaluated and reassigned to an advanced long-term preemployment preparation assignment, as defined in paragraph (2) of subdivision (d) of Section 11320.3.

If at any time a participant does not meet the established criteria for successful completion of the training or education services to which he or she is assigned, the participant shall be reassigned to a basic long-term preemployment preparation assignment, as defined in paragraph (2) of subdivision (d) of Section 11320.3. The assignment to advanced or basic long-term preemployment preparation shall be reviewed by the county at least once every six months, for its continuing conformity to the contract, and likelihood of leading to unsubsidized employment. This review shall require an onsite visit to the participants worksite, and a discussion with the participant about his or her assignment and his or her job search progress. At the end of the one-year period specified in subdivision (d) of Section 11320.3, the county and the participant shall review the employment plan and, using the procedure described in subdivision (c), shall make any revisions necessary to obtain the goal of unsubsidized employment for the participant. These revisions shall become an amendment to the basic contract as provided in this subdivision.

Whenever a participant is assigned to a program component, the contract shall be amended to reflect the assignment. The county and the recipient shall be bound by the terms of any amendments made to the contract. The participant shall maintain responsible and adequate progress toward the goal of employment through the methods set forth in the plan, and the county shall provide the services specified in the plan.

(e) Notwithstanding the procedures set forth in Chapter 7 (commencing with Section 10950) of Part 2, if the participant and the worker are unable to reach agreement on amending a contract, pursuant to subdivision (d), the matter shall be referred by the county for an independent assessment by an impartial third party with career planning experience. The results of this assessment, which shall be binding upon the county and the participant, shall be used to develop the appropriate employment plan for the

participant.

No assessment under this subdivision shall be made by a party having any financial or other interest in the result of the assessment. The party making the assessment shall be selected by the department according to an unbiased procedure. Remuneration for this assessment shall be made by the department according to a fair fixed fee established by regulations of the department.

(f) A participant shall not be placed involuntarily in any other training or education component while waiting for assignment to the component agreed to in his or her contract.

Since a participant assigned to preemployment preparation, as defined in paragraph (2) of subdivision (d) of Section 11320.3, will be expected to continue to seek employment, at any time during the participant's preemployment preparation assignment he or she may request job services, as defined in subdivision (c) of Section 11320.3.

(g) Any participant who fails or refuses to participate in the program developed by the assessment pursuant to subdivision (e) shall receive sanctions in accordance with Section 11320.6.

Any county which fails to provide services according to its plan approved pursuant to this article shall receive sanctions in accordance with Section 10605. A recipient or a group of recipients may request the director to invoke Section 10605.

(h) Any participant who has entered into an amended contract plan pursuant to subdivision (d) and who, at any time, fails or refuses to participate in a component to which he or she has agreed to participate without good cause, shall be subject to sanctions in accordance with Section 11320.6.

(i) This section shall remain in effect until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 5. Section 11320.5 is added to the Welfare and Institutions Code, to read:

11320.5. (a) At the time an individual applies for aid under this chapter, or at the time a recipient's eligibility for aid is redetermined, the county shall determine whether the individual is required to register for the program provided under this article. At the time this determination is made, any individual who is deemed to be required to register under this article shall immediately register with the county welfare department. At the time an individual registers pursuant to this article, he or she shall receive a written preliminary determination that he or she is a member of a targeted group, for purposes of the federal Targeted Jobs Tax Credit and the California Jobs Tax Credit. With respect to any person required to register under this article, registration pursuant to subdivision (b), shall be a condition of eligibility for aid under this chapter, except that any delay in registration due to circumstances beyond the control of the individual shall not adversely affect his or her eligibility for aid under this chapter. The recipient may appeal a determination that he or she is required to register under this article or sign a basic contract

pursuant to subdivision (b), through the procedures set forth in Chapter 7 (commencing with Section 10950) of Part 2. Persons not required to register may volunteer to participate. An applicant for, or a recipient of, aid who is dissatisfied with the terms of the basic contract may seek redress through informal and formal conciliation.

Unless otherwise exempt, all of the following persons shall not be required to participate in program components, beyond registration, until the county welfare department determines that the situation not requiring participation no longer exists:

(1) A caretaker relative who is enrolled in school for at least 12 units of credit and has a child under age six.

(2) A person who is so seriously dependent upon alcohol or drugs that work or training is precluded.

(3) A person who is having an emotional or mental problem that precludes participation.

(4) A person who is involved in legal difficulties, such as court-maintained appearances, which preclude participation.

(5) A person who does not have the legal right to work in the United States.

(6) A person who has a severe family crisis.

(7) A person who is in good standing in a union which controls referrals and hiring in the occupation.

(8) A person who is temporarily laid off from a job with a definite callback date.

(9) A person who is employed for 15 or more hours per week.

(10) A person, or a family member, has a medically verified illness.

(b) At the time an individual registers pursuant to this article, including persons who volunteer to participate, or with respect to any individual described in paragraphs (1) to (10), inclusive, of subdivision (a) at the time the situation which permits nonparticipation no longer exists, every individual shall enter into a written basic contract with the county welfare department. The county shall offer the participant three days in which to consider and evaluate the proposed terms of this contract, or any subsequent amendments to this contract. The contract shall contain all of the following:

(1) The contract shall be written in clear and understandable language. The contract shall have a simple and easy-to-read format. The contract shall contain at least all of the following general information:

(A) A general description of the program provided for in this article.

(B) A description of the services, including supportive services such as child care and transportation, available to program participants.

(C) A description of the rights, duties and responsibilities of program participants, including a list of the exemptions from required participation under this article and the consequences of a refusal to participate in program components.

(2) In the case of any participant who has not been employed within two years from the date of registration, except for a participant described in paragraph (4), the contract shall provide that the participant shall participate in job club for a period of three weeks, as defined in paragraph (1) of subdivision (c) of Section 11320.3. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(3) In the case of any participant who has been employed within two years of the date of registration, except for a participant described in paragraph (4), the participant shall have the option to participate in a three-week period of job club, as defined in paragraph (1) of subdivision (c) of Section 11320.3, or in a three-week period of supervised job search, as defined in subparagraph (B) of paragraph (1) of subdivision (c) of Section 11320.3. At the discretion of the employment and training counselor and with the approval of the first or second line supervisor, the job search period may be shortened when it is determined that all reasonable job search efforts have been exhausted. The participant shall choose one of the options upon signing the contract. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(4) Notwithstanding paragraphs (2) and (3), in the case of any participant who has been a recipient of aid under this chapter more than twice within three years from the date of registration, the contract shall provide for immediate referral to assessment pursuant to subdivision (c). Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(5) An individual who is enrolled in a self-initiated vocational training program of limited duration or an educational program which leads to unsubsidized employment may continue to participate in that program until completion, or in the case of an educational program, for a maximum of two academic years. Participation in the vocational or educational training program shall be reflected in the basic contract. The basic contract shall provide that whenever an individual to which this paragraph applies ceases to participate in, fails or refuses to attend regularly, or does not maintain satisfactory progress in, the educational or vocational training program, the individual shall participate in this program in accordance with paragraph (2), (3), or (4), whichever is applicable.

(6) For those participants who lack basic literacy or mathematics skills, a high school diploma or its equivalent, or English language skills, the basic contract shall provide for either remedial education, instruction in order to obtain a general educational development certificate, or instruction in English-as-a-second-language. These participants shall be referred to appropriate service providers, including the educational programs operated by school districts or county offices of education that have contracted with the Superintendent of Public Instruction to provide services to participants pursuant to Section 33117.5 of the Education Code. The

basic contract shall provide that when an individual, to which this paragraph applies, fails, refuses, or ceases to participate in the instruction provided for in this paragraph, without good cause, as specified in Section 11320.7, the individual shall be subject to the sanction provisions of Section 11320.6.

(c) A participant described in paragraph (4) of subdivision (b), and any participant described in paragraph (2) or (3) of subdivision (b) who has not obtained employment after his or her three weeks of participation in job club or supervised job search, shall work with the county welfare department to initiate the development of an employment plan. In developing the employment plan pursuant to this subdivision, the county and the participant shall develop an assessment of the skills and needs of the participant, which shall include at least all of the following:

(1) The participant's work history, including an inventory of his or her employment skills, knowledge, and abilities.

(2) The participant's educational history and present educational competency level.

(3) The participant's need for supportive services in order to obtain the greatest benefit from the employment and training services offered under this article.

(4) The employment goals of the participant, and an evaluation of the chances for the achievement of these goals given the current potential skills of the participant and the local labor market conditions.

(5) A goal to be attained upon completion of the program, including the period of time it will take to achieve this goal, and the resources available under this program for the attainment of that goal. This assessment shall be done by a person qualified by education or experience to provide counseling, guidance, assessment, or career planning. The county may contract with outside parties, including local educational agencies and service delivery areas to provide the assessment required by this subdivision.

(d) When the county and the participant have completed the assessment process required pursuant to subdivision (c), and they have agreed upon a goal to be attained under this program and the resources to be utilized in attaining that goal, the county and the participant shall amend the basic contract entered into pursuant to subdivision (b). The contract amendment shall specify the goal to be attained, the training or education services to be provided to the participant in order to attain the goal, which may consist of either one or more of the program components provided for in subdivisions (c) and (d) of Section 11320.3, and the criteria for successful completion of these services and attainment of the goal. With respect to education and training programs, the criteria shall include regular attendance, satisfactory progress, and completion of the program. The contract amendment shall provide for supportive services as necessary for participation in this program. Once the participant has begun his or her training or education, he or she shall have 30 days

in which to request a change or reassignment to another component. The county shall grant the participant's request for reassignment to another component that is consistent with the results of the assessment. This grace period shall be spelled out in the contract amendment and shall be available only once to each participant.

If services to be provided under the contract are not immediately available to the participant, he or she shall receive job search services until the education or training services designated in the contract are available.

Any individual who meets the established criteria for successful completion of the training or education services to which he or she is assigned, but who remains unemployed, shall be referred to job search services for a period of 90 days. These job search services may, depending upon the needs of the participant, include any of the services provided for in subdivision (c) of Section 11320.3. If the participant remains unemployed at the end of this 90-day job search period, he or she shall be evaluated and reassigned to an advanced long-term preemployment preparation assignment, as defined in paragraph (2) of subdivision (d) of Section 11320.3.

If at any time a participant does not meet the established criteria for successful completion of the training or education services to which he or she is assigned, the participant shall be reassigned to a basic long-term preemployment preparation assignment, as defined in paragraph (2) of subdivision (d) of Section 11320.3. The assignment to advanced or basic long-term preemployment preparation shall be reviewed by the county at least once every six months, for its continuing conformity to the contract, and likelihood of leading to unsubsidized employment. This review shall require an onsite visit to the participant's worksite, and a discussion with the participant about his or her assignment and his or her job search progress. At the end of the one-year period specified in subdivision (d) of Section 11320.3, the county and the participant shall review the employment plan and, using the procedure described in subdivision (c), shall make any revisions necessary to obtain the goal of unsubsidized employment for the participant. These revisions shall become an amendment to the basic contract as provided in this subdivision.

Whenever a participant is assigned to a program component, the contract shall be amended to reflect the assignment. The county and the recipient shall be bound by the terms of any amendments made to the contract. The participant shall maintain responsible and adequate progress toward the goal of employment through the methods set forth in the plan, and the county shall provide the services specified in the plan.

(e) Notwithstanding the procedures set forth in Chapter 7 (commencing with Section 10950) of Part 2, if the participant and the worker are unable to reach agreement on amending a contract, pursuant to subdivision (d), the matter shall be referred by the county for an independent assessment by an impartial third party

with career planning experience. The results of this assessment, which shall be binding upon the county and the participant, shall be used to develop the appropriate employment plan for the participant.

No assessment under this subdivision shall be made by a party having any financial or other interest in the result of the assessment. The party making the assessment shall be selected by the department according to an unbiased procedure. Remuneration for this assessment shall be made by the department according to a fair fixed fee established by regulations of the department.

(f) A participant shall not be placed involuntarily in any other training or education component while waiting for assignment to the component agreed to in his or her contract.

Since a participant assigned to preemployment preparation, as defined in paragraph (2) of subdivision (d) of Section 11320.3, will be expected to continue to seek employment, at any time during the participant's preemployment preparation assignment he or she may request job services, as defined in subdivision (c) of Section 11320.3.

(g) Any participant who fails or refuses to participate in the program developed by the assessment pursuant to subdivision (e) shall receive sanctions in accordance with Section 11320.6.

Any county which fails to provide services according to its plan approved pursuant to this article shall receive sanctions in accordance with Section 10605. A recipient or a group of recipients may request the director to invoke Section 10605.

(h) Any participant who has entered into an amended contract plan pursuant to subdivision (d) and who, at any time, fails or refuses to participate in a component to which he or she has agreed to participate without good cause, shall be subject to sanctions in accordance with Section 11320.6.

(i) This section shall become operative January 1, 1991.

SEC. 5.5. Section 11320.6 of the Welfare and Institutions Code is amended to read:

11320.6. (a) Whenever an individual has failed or refused to participate without good cause in a program component to which he or she is assigned pursuant to subdivision (b), (d), or (e) of Section 11320.5, and the participant continues to refuse to participate after a period of informal and formal conciliation between the county and the participant, the individual shall be subject to subdivision (b) or (c), whichever is applicable. The department shall develop regulations specifying the maximum length of time which may be utilized in informal conciliation efforts. These efforts may utilize discussions with the supervisors of employees who make the decisions as to whether a participant has refused to participate without good cause in a program component to which he or she is assigned. Formal conciliation efforts shall follow informal conciliation efforts, if the latter have not resolved the dispute. Formal conciliation shall be conducted in accordance with Section 5302 of the Unemployment Insurance Code.

(b) (1) Except for persons voluntarily participating in this program, whenever the participant engages in an initial failure or refusal to participate without good cause, in a program component to which he or she has been assigned pursuant to subdivision (b), (d), or (e) of Section 11320.5, and conciliation efforts pursuant to Section 5302 of the Unemployment Insurance Code have failed to resolve the dispute, the family shall be placed on money management services, which shall constitute an extension of formal conciliation, for three months, except that if the participant and the county welfare department reach an agreement on program participation during this sanction period, or if the participant agrees to participate and performs the activity he or she previously refused to perform, money management services shall be terminated as soon as possible.

(2) Money management services shall cease to be part of the conciliation process if the federal government fails to approve the state's application for funds because of the money management services feature and if the federal government refuses to approve a waiver allowing money management services to remain in effect as part of the conciliation process.

(c) Financial sanctions shall be imposed in accordance with subdivision (e) if any of the following events occur:

(1) The participant continues to refuse to participate after the three month money management services period.

(2) The participant engages in a second instance of nonparticipation without good cause.

(3) The participant refuses to participate in violation of an agreement made during the imposition of money management services.

(d) Money management services and sanctions provided for in subdivisions (b) and (c) shall not apply to an individual voluntarily participating in the program. If such an individual is a member of a group listed in clauses (i) to (iv), inclusive, of subparagraph (A) of paragraph (7) of subdivision (d) of Section 11320.21, and engages in conduct which would bring about the actions provided for in subdivisions (b) and (c), except for his or her status as a voluntary program participant, the individual shall not be given priority so long as other individuals are actively seeking to participate. In the case of any other voluntary program participant who engages in conduct which would bring about the actions provided for in subdivisions (b) and (c), except for his or her status as a voluntary program participant, the individual shall be precluded from participating in the program for a period of six months.

(e) Notwithstanding Section 11308, financial sanctions for refusing to participate without good cause shall cause a reduction in the family's grant by removing the parent or parents in the family from the assistance unit for a period of time specified in subdivision (f).

(1) For families which qualify for aid due to unemployment of the family's primary wage earner, the sanctioned parent shall be

removed from the assistance unit. If the sanctioned parent's spouse is not participating in the program, both the sanctioned parent and the spouse shall be removed from the assistance unit. The county shall notify the spouse of the noncomplying participant in writing at the commencement of money management of his or her own opportunity to participate and the impact on sanctions of that participation. Notwithstanding any other provision of law, a spouse of a noncomplying participant referred to money management or under fiscal sanctions shall be provided the opportunity to participate.

(2) For families which qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit.

(f) The length of time that financial sanctions shall reduce a family's grant shall increase in the following manner:

(1) The first instance of noncompliance without good cause shall result in a financial sanction. This sanction shall terminate at any point if the noncomplying participant reaches an agreement with the county welfare department in an amended contract or agrees to participate and performs the activity he or she previously refused to perform.

(2) The second instance of noncompliance without good cause shall result in a financial sanction for three months or until the noncomplying participant reaches an agreement with the county welfare department or agrees to participate and performs the activity he or she previously refused to perform, whichever is longer.

(3) The third and each subsequent instance of noncompliance without good cause shall result in a financial sanction for six months or until the noncomplying partipant reaches an agreement with the county welfare department or agrees to participate and performs the activity he or she previously refused to perform, whichever is longer.

(g) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 6. Section 11320.6 is added to the Welfare and Institutions Code, to read:

11320.6. (a) Whenever an individual has failed or refused to participate without good cause in a program component to which he or she is assigned pursuant to subdivision (b), (d), or (e) of Section 11320.5, and the participant continues to refuse to participate after a period of informal and formal conciliation between the county and the participant, sanctions shall be imposed in accordance with subdivision (b) or (c), whichever is applicable. The department shall develop regulations specifying the maximum length of time which may be utilized in informal conciliation efforts. These efforts may utilize discussions with the supervisors of employees who make the decisions as to whether a participant has refused to participate without good cause in a program component to which he or she is assigned. Formal conciliation efforts shall follow informal

conciliation efforts, if the latter have not resolved the dispute. Formal conciliation shall be conducted in accordance with Section 5302 of the Unemployment Insurance Code.

(b) Except for persons voluntarily participating in this program, whenever the participant engages in an initial failure or refusal to participate without good cause, in a program component to which he or she has been assigned pursuant to subdivision (b), (d), or (e) of Section 11320.5, and conciliation efforts pursuant to Section 5302 of the Unemployment Insurance Code have failed, the family shall be placed on money management services for three months, except that if the participant and the county welfare department reach an agreement on program participation during this sanction period, or if the participant agrees to participate and performs the activity he or she previously refused to perform, money management services shall be terminated as soon as possible. Financial sanctions shall be imposed in accordance with Section 11308 if any of the following events occur:

(1) The participant continues to refuse to participate after the three month money management services sanction period.

(2) The participant engages in a second instance of nonparticipation without good cause.

(3) The participant refuses to participate in violation of an agreement made during the imposition of money management services sanctions.

(c) The sanctions provided for in subdivision (b) shall not apply to an individual voluntarily participating in the program. If such an individual engages in conduct which would bring about the imposition of sanctions provided for in subdivision (b), except for his or her status as a voluntary program participant, the individual shall be precluded from participating in the program for a period of six months.

(d) This section shall become operative on January 1, 1991.

SEC. 7. Section 11320.7 of the Welfare and Institutions Code is amended to read:

11320.7. No sanctions shall be applied for a failure or refusal to participate with good cause. Good cause for failure or refusal to participate in a program component to which a participant is assigned pursuant to subdivisions (b), (d), or (e) of Section 11320.5 shall include all of the following:

(a) An assignment, job referral, or job does not meet appropriate work and training criteria due to any of the following:

(1) The employment, offer of employment, activity or other training for employment discriminates in terms of age, sex, race, religion, ethnic origin, or physical or mental handicap.

(2) The employment or offer of employment, exceeds the daily or weekly hours of work customary to the occupation.

(3) The employment, offer of employment, activity, or other training for employment requires travel to and from the place of employment, activity, or other training and one's home that exceeds

a total of two hours in round trip time, exclusive of the time necessary to transport family members to a school or place providing care, or when walking is the only available means of transportation, the round trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care.

(4) The employment, offer of employment, activity, or other training for employment involves conditions and specific responsibilities that impair the individual's physical or mental health or are not related to the individual's capability to perform the task on a regular basis.

(5) The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.

(6) The employment, offer of employment or work activity, does not provide for worker's compensation insurance.

(7) An employment or training program position utilized pursuant to this article may not be created in violation of Section 11320.35.

(8) The employment, offer of employment, activity, or other training is not within the scope of the employment plan as contained in the contract provided for under Section 11320.5.

(9) Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

(10) Accepting the employment, offer of employment, or work activity would cause an interruption in an education or job training program in progress, excluding community work experience assignments as defined in paragraph (2) of subdivision (d) of Section 11320.3, or would prevent the individual from returning to his or her regular job within a reasonable time, unless the job offer provides either of the following:

(A) Employment and sufficient income to lead to self-support and the job offer is within the scope of the employment plan.

(B) Temporary employment while the individual is waiting for reemployment in his or her regular job.

(11) The participant is not receiving the supportive services agreed to under the contract entered into pursuant to Section 11320.5.

(12) In addition to good cause as specified in this section, no sanction shall be applied to any participant who is absent or tardy for periods up to 10 percent of the weekly hours required for any component. However, this time shall not accumulate.

(13) The employment or offer of employment is at a wage level that results in a net loss of income, in accordance with subdivision (*l*).

(14) The employment, offer of employment, or required activity exceeds 20 hours per week for parents with children three to five years of age.

(b) The individual is temporarily physically incapacitated or

suffers temporary physical illness.

(c) The individual is required to appear in a court proceeding or is incarcerated.

(d) The individual is suffering a family crisis or changed individual family circumstance as evidenced, for example, by the death of a spouse, parent, or child or an illness of a spouse, parent, or child which requires the individual's immediate attention.

(e) Inclement weather or other act of nature precludes individual and other persons similarly situated from traveling to an activity.

(f) There is a breakdown in transportation arrangements with no ready access to alternate transportation.

(g) The individual needs any other necessary social service not specifically mentioned in his or her contract.

(h) An individual refuses to accept major medical services even if the refusal precludes participation in the program.

(i) Licensed or exempt child care is not reasonably available, or unavailable during the individual's hours of training or employment including commuting time, or arrangements for child care have broken down or have been interrupted. For purposes of this section, "reasonably available" includes having at least two choices of child care arrangements The choices of day care shall meet either licensing requirements or the criteria established pursuant to subdivision (i) of Section 11320.3. This exemption shall include the unavailability of suitable special needs child care for identified special needs children, including children with disabilities, chronic illnesses, or other special needs.

(j) An individual is engaged in employment or training that is consistent with the employability objectives of the program, and prior notification and approval from the worker has been received.

(k) At the discretion of the county, any other substantial and compelling reason other than those specified in this section.

(*l*) Net loss of income would occur pursuant to the conditions provided for in this subdivision, if an offer of employment which results in a net income of less than 100 percent of a person's grant is accepted. Net loss of income shall be deemed to occur when current income is greater than the postemployment income would be if the job offer were accepted. "Postemployment income" means any unearned income plus the gross earnings from the job offered, less mandatory and legal deductions from the proposed salary, transportation, and child care if the participant goes off aid and is not eligible for transitional child care.

For purposes of computing the income disregards, the regional market rate for child care, transportation, and other mandatory work-related expenses shall be used. Regional market rates for child care shall be determined in accordance with the Alternative Payment Program as provided for under Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of the Education Code.

(m) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which

is enacted before January 1, 1991, deletes or extends that date.

SEC. 8. Section 11320.7 is added to the Welfare and Institutions Code, to read:

11320.7. No sanctions shall be applied for a failure or refusal to participate with good cause. Good cause for failure or refusal to participate in a program component to which a participant is assigned pursuant to subdivisions (b), (d), or (e) of Section 11320.5 shall include all of the following:

(a) An assignment, job referral, or job does not meet appropriate work and training criteria due to any of the following:

(1) The employment, offer of employment, activity or other training for employment discriminates in terms of age, sex, race, religion, ethnic origin, or physical or mental handicap.

(2) The employment or offer of employment, exceeds the daily or weekly hours of work customary to the occupation.

(3) The employment, offer of employment, activity, or other training for employment requires travel to and from the place of employment, activity, or other training and one's home that exceeds a total of two hours in round trip time, exclusive of the time necessary to transport family members to a school or place providing care, or when walking is the only available means of transportation, the round trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care.

(4) The employment, offer of employment, activity, or other training for employment involves conditions and specific responsibilities that impair the individual's physical or mental health or are not related to the individual's capability to perform the task on a regular basis.

(5) The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.

(6) The employment, offer of employment or work activity, does not provide for worker's compensation insurance.

(7) An employment or training program position utilized pursuant to this article may not be created in violation of Section 11320.35.

(8) The employment, offer of employment, activity, or other training is not within the scope of the employment plan as contained in the contract provided for under Section 11320.5.

(9) Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

(10) Accepting the employment, offer of employment, or work activity would cause an interruption in an education or job training program in progress, excluding community work experience assignments as defined in paragraph (2) of subdivision (d) of Section 11320.3, or would prevent the individual from returning to his or her regular job within a reasonable time, unless the job offer provides either of the following:

(A) Employment and sufficient income to lead to self-support and the job offer is within the scope of the employment plan.

(B) Temporary employment while the individual is waiting for reemployment in his or her regular job.

(11) The participant is not receiving the supportive services agreed to under the contract entered into pursuant to Section 11320.5.

(12) In addition to good cause as specified in this section, no sanction shall be applied to any participant who is absent or tardy for periods up to 10 percent of the weekly hours required for any component. However, this time shall not accumulate.

(13) The employment or offer of employment is at a wage level that results in a net loss of income, in accordance with subdivision (*l*).

(b) The individual is temporarily physically incapacitated or suffers temporary physical illness.

(c) The individual is required to appear in a court proceeding or is incarcerated.

(d) The individual is suffering a family crisis or changed individual family circumstance as evidenced, for example, by the death of a spouse, parent, or child or an illness of a spouse, parent, or child which requires the individual's immediate attention.

(e) Inclement weather or other act of nature precludes individual and other persons similarly situated from traveling to an activity.

(f) There is a breakdown in transportation arrangements with no ready access to alternate transportation.

(g) The individual needs any other necessary social service not specifically mentioned in his or her contract.

(h) An individual refuses to accept major medical services even if the refusal precludes participation in the program.

(i) Licensed or exempt child care is not reasonably available, or unavailable during the individual's hours of training or employment including commuting time, or arrangements for child care have broken down or have been interrupted. For purposes of this section, "reasonably available" includes having at least two choices of child care arrangements. The choices of day care shall meet either licensing requirements or the criteria established pursuant to subdivision (i) ofSection 11320.3. This exemption shall include the unavailability of suitable special needs child care for identified special needs children, including children with disabilities, chronic illnesses, or other special needs.

(j) An individual is engaged in employment or training that is consistent with the employability objectives of the program, and prior notification and approval from the worker has been received.

(k) At the discretion of the county, any other substantial and compelling reason other than those specified in this section.

(*l*) Net loss of income would occur pursuant to the conditions provided for in this subdivision, if an offer of employment which results in a net income of less than 100 percent of a person's grant

and that was not agreed to or part of a participant's employment training contract is accepted. Net loss of income shall be deemed to occur when current income is greater than the postemployment income would be if the job offer were accepted. "Postemployment income" means any unearned income plus the gross earnings from the job offered, less all of the following: mandatory and legal deductions from the proposed salary, the cost to the participant of health insurance premiums offered by the prospective employer or if none is offered, the cost of purchasing health insurance coverage based on the competitive market rate, child care, transportation, and other mandatory work-related expenses, and the cash equivalent value of the difference between the assistance food stamps and the nonassistance food stamps for which the participant is eligible.

For purposes of computing the income disregards, the regional market rate for child care, transportation, and other mandatory work-related expenses shall be used. Regional market rates for child care shall be determined in accordance with the Alternative Payment Program as provided for under Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of the Education Code

(m) This section shall become operative on January 1, 1991.

SEC. 9. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted within 120 days of the enactment of this act in order to implement this act shall not be subject to review and approval of the Office of Administrative Law. The regulations shall not remain in effect more than 120 days unless the adopting agency complies with all the provisions of Chapter 3.5 as required by subdivision (e) of Section 11346.1 of the Government Code.

SEC. 10. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the state may take advantage of additional federal funding available for the Greater Avenues for Independence (GAIN) program by way of conforming the GAIN program to federal law, it is necessary that this act take effect immediately.

CHAPTER 78

An act to amend Section 25210.5 of, and to add Section 25210.59 to, the Government Code, relating to county service areas.

[Approved by Governor June 30, 1989. Filed with Secretary of State June 30, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25210.5 of the Government Code is amended to read:

25210.5. As used in this chapter, "structural fire protection" includes protection against all fires occurring within a county service area except those for which protection is provided pursuant to Section 25642, and shall include fire prevention, hazard abatement, and enforcement of the Uniform Fire Code as adopted by the State Fire Marshal in Section 1.09 of Title 19 of the California Code of Regulations.

SEC. 2. Section 25210.59 is added to the Government Code, to read:

25210.59. A board of supervisors as governing body of a county service area or zone thereof which provides fire protection services shall have the powers authorized by Sections 13916 to 13919, inclusive, of the Health and Safety Code.

CHAPTER 79

An act to amend Section 412.20 of the Code of Civil Procedure, relating to civil actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 412.20 of the Code of Civil Procedure is amended to read:

412.20. (a) Except as otherwise required by statute, a summons shall be directed to the defendant, signed by the clerk and issued under the seal of the court in which the action is pending, and it shall contain:

(1) The title of the court in which the action is pending.

(2) The names of the parties to the action.

(3) A direction that the defendant file with the court a written pleading in response to the complaint within 30 days after summons is served on him or her. In justice courts, the direction shall be that

the defendant file with the court a written pleading, or cause an oral pleading to be entered in the docket, in response to the complaint within 30 days after summons is served on him or her.

(4) A notice that, unless the defendant so responds, his or her default will be entered upon application by the plaintiff, and the plaintiff may apply to the court for the relief demanded in the complaint, which could result in garnishment of wages, taking of money or property, or other relief.

(5) The following statement in boldface type: "You may seek the advice of an attorney in any matter connected with the complaint or this summons. Such attorney should be consulted promptly so that your pleading may be filed or entered within the time required by this summons."

(6) The following introductory legend at the top of the summons above all other matter, in boldface type, in English and Spanish:

"Notice! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read information below."

(b) Each county may, by ordinance, require that the legend contained in paragraph (6) of subdivision (a) be set forth in every summons issued out of the courts of that county in any additional foreign language, if the legend in such additional foreign language is set forth in the summons in the same manner as required in such paragraph.

(c) A summons in a form approved by the Judicial Council is deemed to comply with this section.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Spanish-speaking population of this state and other foreign language citizens will continue to receive notice of a summons served upon them in a civil action in their primary language, the requirement of which has been in effect since January 1, 1975, it is necessary that this act go into immediate effect.

CHAPTER 80

An act to amend Section 23158 of the Vehicle Code, relating to drivers.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 23158 of the Vehicle Code is amended to read:

23158. (a) Only a licensed physician and surgeon, registered nurse, licensed vocational nurse, duly licensed clinical laboratory technologist or clinical laboratory bioanalyst, unlicensed laboratory personnel regulated pursuant to Sections 1242, 1242.5, and 1246 of the Business and Professions Code, or certified paramedic acting at the request of a peace officer may withdraw blood for the purpose of determining the alcoholic content therein. This limitation does not apply to the taking of breath specimens. An emergency call for paramedic services takes precedence over a peace officer's request for a paramedic to withdraw blood for determining its alcoholic content. A certified paramedic shall not withdraw blood for this purpose unless authorized by his or her employer to do so.

(b) The person tested may, at his own expense, have a licensed physician and surgeon, registered nurse, licensed vocational nurse, duly licensed clinical laboratory technologist or clinical laboratory bioanalyst, unlicensed laboratory personnel regulated pursuant to Sections 1242, 1242.5, and 1246 of the Business and Professions Code, or any other person of his or her own choosing administer a test in addition to any test administered at the direction of a peace officer for the purpose of determining the amount of alcohol in the person's blood at the time alleged as shown by chemical analysis of his or her blood, breath, or urine. The failure or inability to obtain an additional test by a person does not preclude the admissibility in evidence of the test taken at the direction of a peace officer.

(c) Upon the request of the person tested, full information concerning the test taken at the direction of the peace officer shall be made available to the person or the person's attorney.

(d) Notwithstanding any other provision of law, no licensed physician and surgeon, registered nurse, licensed vocational nurse, duly licensed clinical laboratory technologist or clinical laboratory bioanalyst, unlicensed laboratory personnel regulated pursuant to Sections 1242, 1242.5, and 1246 of the Business and Professions Code, or certified paramedic, or hospital, laboratory, or clinic employing or utilizing the services of the licensed physician and surgeon, registered nurse, licensed vocational nurse, duly licensed laboratory technologist or clinical laboratory bioanalyst, unlicensed laboratory personnel regulated pursuant to Sections 1242, 1242.5, and 1246 of the Business and Professions Code, or certified paramedic, owning or leasing the premises on which tests are performed, shall incur any civil or criminal liability as a result of the administering of a blood test in a reasonable manner in a hospital, medical laboratory, or medical clinic environment, according to accepted medical practices, without violence by the person administering the test, and when requested in writing by a peace officer to administer the test.

(e) If the test given under Section 23157 is a chemical test of urine, the person tested shall be given such privacy in the taking of the urine specimen as will ensure the accuracy of the specimen and, at the same time, maintain the dignity of the individual involved.

(f) The department, in cooperation with the State Department of

Health Services or any other appropriate agency, shall adopt uniform standards for the withdrawal, handling, and preservation of blood samples prior to analysis.

(g) As used in this section, "certified paramedic" does not include any employee of a fire department.

(h) Consent, waiver of liability, or the offering to, acceptance by, or refusal of consent or waiver of liability by the person on whom a test is administered, is not an issue or relevant to the immunity from liability for medical personnel or the medical facility under subdivision (d).

CHAPTER 81

An act to amend Section 8360 of, to add Sections 62000.6, 62000.9, 62000.10, and 62000.12 to, and to repeal Section 62000.4 of, the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989. Filed with Secretary of State June 30, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 8360 of the Education Code is amended to read:

8360. (a) Child development programs shall include a career ladder program for classroom staff. Persons who are 18 years of age and older may be employed as aides and may be eligible for salary increases upon the completion of additional semester units in childhood education or child development. Individuals who have six semester units in early childhood education or child development and prior field experience who pass a field-based assessment may be employed on a provisional basis.

Persons may also be employed as teachers under an emergency permit if they meet the requirements of either of the following:

(1) They have at least 12 semester units in child growth and development, child, family, and community, or early childhood education programming and curriculum, a minimum of two years of field experience, and are enrolled in a training program leading to additional semester units.

(2) They are employed with a children's center instructional permit requiring 24 semester units of early childhood education or child development. Teachers shall not be required to pass the basic skills proficiency test in order to qualify for a children's center instructional permit.

The governing board of each contracting agency shall be encouraged to provide teachers and aides with salary increases for the successful completion of six semester unit increments of early

childhood education or child development.

(b) Except as waived under Section 8242 the governing board of a public or private agency as defined within Section 8208 shall employ as teachers or supervisors in a child care and development program only such persons who hold child care and development permits issued by the Commission on Teacher Credentialing. Any person holding a credential authorizing teaching service in elementary schools issued by the State Board of Education or the commission with either 12 units of training or at least two years' experience in early childhood education or a child care and development program, or holding a single subject credential in home economics with either 12 units of training or at least two years' experience in early childhood education or a child care and development program is deemed to hold a regular child care and development permit that will authorize supervision and instruction of children or supervision of a child development program. The filing with the county superintendent of schools of a regulation of a governing board or a public health agency requiring a physical examination of persons employed in programs shall be deemed to be the issuance of a valid permit except for persons employed in positions pertaining to the supervision and instruction of children or supervision of a program. Each person employed by the governing board of a public or private agency as defined within Section 8208 for a position requiring a permit shall, not later than 95 days after the date fixed by the governing board of the agency for the commencement of his or her service, file with the county superintendent of schools a valid permit issued on or before such date, authorizing him or her to serve in a position for which he or she was employed, and shall, not later than 95 days after the renewal thereof, file the renewed permit in the same manner.

(c) Any teacher employed in a child care and development program immediately prior to July 28, 1980, who continues to be so employed on and after July 28, 1980, and who does not possess the qualifications contained in subdivision (b), shall, notwithstanding subdivision (b), also be deemed to hold a regular child care and development permit and may continue his or her employment, provided that he or she demonstrates progress toward attainment of the qualifications and meets the requirements under subdivision (b) by January 1, 1983. Notwithstanding any other provision of law the continued employment of any teacher described in this subdivision after July 28, 1980, and before the effective date of the act which amended this section at the 1981 portion of the 1981–82 Regular Session of the Legislature is hereby validated, ratified, confirmed, and declared legally effective if the continued employment would have been authorized by this subdivision had it been effective during that time. This authorization shall apply to all acts, all contracts, and all funds expended in the continued employment of teachers to which this subdivision applies. The requirements under subdivision (b) shall be met for any teacher employed in a child care and

development program that is hired on or after July 28, 1980.

SEC. 2. Section 62000.4 of the Education Code is repealed.

SEC. 3. Section 62000.6 is added to the Education Code, to read:

62000.6. (a) The following programs shall sunset on June 30, 1989:

(1) Adult education programs.

(2) Indian education centers.

(b) The following program shall sunset on June 30, 1994:

(1) Child development and preschool programs.

SEC. 4. Section 62000.9 is added to the Education Code, to read:

62000.9. (a) The following program shall sunset on June 30, 1989:

(1) Adult education.

(b) The following program shall sunset on June 30, 1994:

(1) Child development and preschool programs.

SEC. 5. Section 62000.10 is added to the Education Code, to read:

62000.10. (a) The following program shall sunset on June 30, 1989:

(1) Indian education centers.

(b) The following program shall sunset on June 30, 1994:

(1) Child development and preschool programs.

SEC. 6. Section 62000.12 is added to the Education Code, to read:

62000.12. The following program shall sunset on June 30, 1994:

(a) Child development and preschool programs.

SEC. 7. The State Department of Education shall conduct a study of the impact on the quality of adult to child ratios of 1:8, 1:9, and 1:10 in child development classrooms for children who are three to five years of age. The study shall be submitted in a report to the Legislature on or before January 15, 1992. The department shall contract with an independent contractor to administer and prepare a report on the study. The study shall, to the extent feasible, utilize data collected from a minimum of 200 classrooms or 25 percent of the existing child development sites. Any costs incurred by the department in contracting for the study shall be paid from funds available pursuant to Section 8278. The Superintendent of Public Instruction shall provide a waiver from the required adult-to-child ratios of this section for the three-year period during which the study is conducted, upon the request of any child care and development contractor for permission to participate voluntarily in the study.

SEC. 8. The statutory provisions and regulations governing the establishment and operation of child development and preschool programs pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code, which became inoperative pursuant to the operation of any provision in Chapter 2, and any other statutory provisions necessary for the effective administration of those programs, are hereby reactivated.

SEC. 9. Section 8 of this bill shall become operative only if child development and preschool programs became inoperative on June 30, 1989, pursuant to the operation of any provision in Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code.

SEC. 10. (a) Section 3 shall become operative only if this bill is chaptered and neither AB 335 nor AB 1901 has been chaptered and become effective.

(b) If Section 3 becomes operative on or before January 1, 1990, and AB 1901 subsequently becomes effective on or before January 1, 1990, Section 3 shall be repealed on the effective date of AB 1901, and Section 4 shall become operative on the effective date of AB 1901.

SEC. 11. Except as provided in subdivision (b) of Section 10, Section 4 shall become operative only if this bill and AB 1901 are chaptered and become effective on or before January 1, 1990, this bill is chaptered after AB 1901, and AB 335 has not been chaptered.

(12) Section 5 shall become operative only if this bill is chaptered and becomes effective on or before January 1, 1990, this bill is chaptered after AB 335, and AB 1901 has not been chaptered.

SEC. 13. (a) Section 6 shall become operative only if this bill and both AB 335 and AB 1901 are chaptered and become effective on or before January 1, 1990. If AB 1901 becomes effective after this bill, Section 5 shall be repealed on the effective date of AB 1901 and Section 6 shall become operative on the effective date of AB 1901.

(b) If Section 6 of this bill becomes operative, Sections 3, 3.5, and 4, of this bill shall be repealed on the date Section 6 becomes operative.

SEC. 14. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to exempt child development and preschool programs from the provisions of Part 34 (commencing with Section 62000) of the Education Code, relative to the termination of certain educational programs, at the earliest possible time, and in order to ensure that state statutes and regulations governing the operation of these programs will continue to apply after the scheduled June 30, 1989, program termination date, it is necessary that this act take effect immediately.

CHAPTER 82

An act to amend Sections 35735, 39619, 39619.2, 41341, 41841.5, 42238.4, 42241.2, 49536, 52616, 54022, 54029, and 60246 of, to add Sections 35294.1, 39619.4, 41851.1, 42238.15, 42251, 54030, 54031, 54032, and 54033 to, to add and repeal Sections 14022.3 and 14022.5 of, to add Article 9 (commencing with Section 54760) to Chapter 9 of Part 29 of, to add and repeal Chapter 2 (commencing with Section 41200) of Part 24 of, the Education Code, to amend Sections 7901, 7906, 7907, 7908, and 13337 of the Government Code, and to add Section 13864 to the Penal Code, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989 Filed with Secretary of State June 30, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14022.3 is added to the Education Code, to read:

14022.3. (a) For purposes of calculating "increases in enrollment" pursuant to paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, the term "enrollment" for school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services means the sum of the following:

(1) Second principal apportionment regular average daily attendance for kindergarten and grades 1 to 12, inclusive, as defined in subdivision (b) of Section 42238.5.

(2) Annual average daily attendance for county offices of education, as calculated pursuant to subdivision (c) of Section 41601.

(b) Any determination or computation of enrollment for purposes of this section shall be based upon actual data from prior years. For the next succeeding year, any determination or computation of enrollment for purposes of this section shall be the estimated enrollment, adjusted as actual data become available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 2. Section 14022.5 is added to the Education Code, to read:

14022.5. (a) For purposes of Section 8.5 of Article XVI of the California Constitution, the term "enrollment" shall have the following meaning for school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services:

(1) In school districts:

(A) The average daily attendance of each school district reported

for the second principal apportionment pursuant to Section 41601.

(B) The annual average daily attendance for adult education programs and classes, as determined under subdivision (d) of Section 41601.

(C) The annual average daily attendance for regional occupational centers and programs, as determined under subdivision (d) of Section 41601.

(D) The average daily attendance of apprentices enrolled in any class and reported pursuant to Section 8150, except that one unit of average daily attendance, for purposes of this paragraph, shall equal 525 hours of apprenticeship instruction in an apprenticeship program operated pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(E) (i) The annual average daily attendance for children enrolled in a state preschool program under the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6), except that one unit of average daily attendance, for purposes of this clause, shall equal 700 hours of child care or preschool services.

(ii) The annual average daily attendance for children enrolled in any other program under the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6), except that one unit of average daily attendance, for purposes of this clause, shall equal 250 days of child care services. For the purposes of this clause, less than four hours per day of child care services shall be defined as one-half day, from four up to six and one-half hours per day shall be defined as three-fourths day, and six and one-half hours or more per day shall be defined as one full day.

(F) The annual average daily attendance of pupils enrolled in summer school, computed pursuant to Section 42239, except that one unit of average daily attendance shall equal 700 hours of summer school instruction in an approved summer school program.

(G) The annual average daily attendance for pupils enrolled in an educational program offered by a county office of education, as determined pursuant to subdivisions (b) and (c) of Section 41601.

(2) In community college districts:

(A) The annual average daily attendance of a community college district computed pursuant to Chapter 4 (commencing with Section 84500) of Part 50, until Section 84750 becomes operative, and thereafter the number of full-time equivalent students as computed pursuant to Section 84750.

(B) The annual average daily attendance for evening community college programs designated as adult schools pursuant to Section 78401, as determined pursuant to Section 78405.

(C) The annual average daily attendance of apprentices enrolled in any class and reported pursuant to Section 8150, except that one unit of average daily attendance, for purposes of this paragraph, shall equal 525 hours of apprenticeship instruction in an apprenticeship program operated pursuant to Chapter 4 (commencing with Section

3070) of Division 3 of the Labor Code.

(3) In state agencies that provide direct elementary and secondary level instructional services:

(A) The annual average daily attendance equivalent for pupils enrolled in the State Schools for the Handicapped pursuant to Part 32 (commencing with Section 59000).

(B) The annual average daily attendance equivalent for pupils attending an educational program administered by the Department of the Youth Authority pursuant to Article 6 (commencing with Section 1120) and Article 10 (commencing with Section 1250) of Part 1 of Division 2 of Chapter 3 of the Welfare and Institutions Code.

(C) The annual average daily attendance equivalent for pupils in the state hospitals operated by the State Department of Developmental Services pursuant to Chapter 8 (commencing with Section 56850) of Part 30.

(b) Any determination or computation of enrollment for purposes of this section shall be based upon actual data from prior years. For the next succeeding year, any determination or computation of enrollment for purposes of this section shall be the estimated enrollment, adjusted as actual data become available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 3. Section 35294.1 is added to the Education Code, to read:

35294.1. (a) The governing board of a school district, on behalf of one or more schools within the district that have developed a school safety plan, may apply to the Superintendent of Public Instruction for a grant to implement school safety plans. A grant shall be awarded only for school safety plans that include the following criteria:

(1) Assessment of the recent incidence of crime committed on the school campus.

(2) Identification of appropriate strategies and programs that will provide or maintain a high level of school safety.

(3) Development of an action plan, in conjunction with local law enforcement agencies, for implementing appropriate safety strategies and programs, and determining the fiscal impact of executing the strategies and programs. The action plan shall identify available resources which will provide for implementation of the plan.

(b) The Superintendent of Public Instruction shall award grants pursuant to this section to school districts for the implementation of individual school safety plans in an amount not to exceed fifteen thousand dollars ($15,000) for each school. No grant shall be made unless the school district makes available, for purposes of implementing the school safety plans, an amount of funds equal to the amount of the grant. Grants should be awarded through a competitive process, based upon criteria including, but not limited

to, (1) the merit of the proposal and (2) the need for imposing school safety, based on school crime rates.

(c) Any school district receiving a grant under this section shall report to the Superintendent of Public Instruction annually for three consecutive years following the receipt of the grant concerning the impact of the implementation of the school safety plan on the incidence of crime on the campus of the school.

SEC. 4. Section 35735 of the Education Code is amended to read:

35735. (a) Any proposal for reorganization of school districts shall include a computation of the revenue limit per unit of average daily attendance for the proposed new district. That provision shall be an inherent part of the proposal and shall not be construed as a separate proposition. That revenue limit per unit of average daily attendance shall be equal to the revenue limit which would be produced by adding (1) for the second fiscal year prior to the fiscal year in which the reorganization becomes effective for all purposes, the sum of the revenue limit of each of the districts proposed to be wholly included and the proportional share of the revenue limit of each district to be partially included in the proposed reorganized district is divided by the total number of units of average daily attendance that would have been in the proposed reorganized district had it been reorganized the second fiscal year prior to the fiscal year in which the reorganization becomes effective for all programs, plus (2) the revenue limits per unit of average daily attendance required to equal the amount of the difference between (A) the average certificated salary and fringe benefits, and (B) the amount of the difference between the average classified salary and fringe benefits of each of the component districts or any portion of a district during the second school year prior to that in which the district becomes effective for all purposes and the highest average certificated salary and fringe benefits and highest average classified salary and fringe benefits of any component district included in the proposal multiplied by the number of employees in each category less the number of employees in each category of the district or districts having the highest average salary and fringe benefits, plus (3) the inflation adjustment specified in Section 42238.1 for the fiscal year immediately preceding the year in which the reorganization becomes effective for all purposes, plus (4) the inflation adjustment specified in Section 42238 1 for the fiscal year in which the reorganization becomes effective for all purposes plus any other base revenue limit increases for which the district would have been eligible had it been reorganized in the second fiscal year prior to the year the reorganization became effective.

In computing the increase in the revenue limit in clause (2), any school district or, a portion of a district to be included in a proposal may be considered in determining the highest average salary or fringe benefits provided that the school district, or a portion of a district, contains at least 25 percent of the total number of certificated and classified employees in the proposed reorganized

district. "Salary and fringe benefits" shall be a single item of compensation and shall not be separately calculated.

The revenue limit per unit of average daily attendance for the reorganized district shall not be greater than the amount set forth in the proposal as approved by the county committee on school district organization or the State Board of Education except that the amount shall be increased pursuant to clauses (3), (4), and (5).

This section shall apply to any transfer of pupils by grade level between elementary and high school districts and, in any case, no transfer of seventh and eighth grade pupils from an elementary district to a high school district, or vice versa, shall result in the receiving district getting a revenue limit apportionment for those pupils which exceeds 105 percent of the statewide average revenue limit for the receiving district's type and size.

(b) Subdivision (a) shall not apply to any unification, consolidation, or other reorganization of school districts occurring pursuant to voter approval at an election held on or before the effective date of the act that added this subdivision, which reorganization shall be governed, instead, by the predecessor to this section as added by Chapter 1192 of the Statutes of 1980.

(c) Where the territorial jurisdiction of any school district was revised pursuant to a unification, consolidation, or other reorganization, occurring on or before July 1, 1989, that resulted in a school district having a larger territorial jurisdiction than the original school district had prior to the reorganization, and a reorganization of school districts occurs on or after the effective date of the act that added this subdivision that results in a school district having a territorial jurisdiction that is substantially the same, as determined by the State Board of Education, as the territorial jurisdiction of that original school district prior to the most recent reorganization occurring on or before July 1, 1989, the revenue limit of the school district resulting from the subsequent reorganization shall be the same, notwithstanding subdivision (a), as the revenue limit that was determined for the original school district prior to the most recent reorganization occurring on or before July 1, 1989.

SEC. 5. Section 39619 of the Education Code is amended to read:

39619. (a) Whenever, in any given fiscal year, a school district has budgeted, exclusive of state matching funds and district funds previously matched pursuant to subdivision (b), in its deferred maintenance fund established pursuant to Section 39618 an amount equal to, or greater than, that amount the district expended from its general fund for major maintenance, repair, or modernization of existing school buildings, as specified in Section 39618, exclusive of categorical aid funds and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account, in either the 1978–79 or 1979–80 fiscal year, adjusted annually to the current fiscal year in conformance with the percentage change in the district revenue limit computed pursuant to Section 42237 or 42238, the Superintendent of Public

Instruction shall so certify to the State Allocation Board.

(b) The State Allocation Board shall apportion, from the State School Deferred Maintenance Fund, to school districts an amount equal to one dollar ($1) for each one dollar ($1) of local funds up to a maximum of ½ percent of the district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4, for the prior fiscal year, exclusive of any amounts budgeted for capital outlay or debt service, to the extent of funds available pursuant to Chapter 24 (commencing with Section 17780) of Part 10.

(c) Notwithstanding subdivision (a), in order to be eligible to receive state aid pursuant to subdivision (b), no district shall be required to budget from local district funds an amount greater than ½ percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

SEC. 6. Section 39619.2 of the Education Code is amended to read:

39619.2. (a) School districts may submit applications to the State Allocation Board for deferred maintenance funding in addition to the amounts specified in Section 39619. In order to be eligible for an additional apportionment, a school district shall do all of the following:

(1) Certify that if an additional apportionment is provided, the district will have matched the additional apportionment amount with an equal amount of district funds that have not been previously used as a match for state aid.

(2) Certify an additional claim of not greater than one-half of 1 percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, excluding any amounts budgeted for capital outlay or debt service, but including adult education funds.

(3) Certify that any additional funds will be used to meet deferred maintenance identified in the district's five-year deferred maintenance plan.

(b) The State Allocation Board shall establish rules and regulations regarding the formulas used to apportion additional funds pursuant to this section.

(c) It is the intent of the Legislature that state funds for deferred maintenance be drawn first from excess bond repayments by school districts, revenues pursuant to subdivision (f) of Section 6217 of the Public Resources Code, and proceeds from existing general

obligation bonds.

SEC. 7. Section 39619.4 is added to the Education Code, to read:

39619.4. Notwithstanding any other provision of law, for the 1988–89 fiscal year, school districts may transfer matching funds to the deferred maintenance fund by September 1, 1989, based on the average determined in subdivision (b) of Section 39619.

SEC. 8. Chapter 2 (commencing with Section 41200) is added to Part 24 of the Education Code, to read:

CHAPTER 2. DETERMINATION OF MINIMUM LEVEL OF EDUCATION FUNDING

41200. (a) The Legislature finds and declares that the California Constitution, as amended by "The Classroom Instructional Improvement and Accountability Act" as adopted by the voters on November 8, 1988, mandates that a specific minimum level of state General Fund revenues be guaranteed and applied for the support of school districts, community college districts, and state agencies that provide direct elementary and secondary level instructional services. The Legislature further finds and declares that, by defining certain terms used in establishing a method of calculation for determining the guaranteed minimum level of funding, Section 14022.3, 14022.5, and this chapter further the purposes of "The Classroom Instructional Improvement and Accountability Act."

(b) It is the intent of the Legislature that the annual Budget Bill, required by Section 12 of Article IV of the California Constitution, include a section that specifies the respective percentages and amounts of General Fund revenues that must be set aside and applied for the support of school districts, community college districts, and the direct elementary and secondary level instructional services of state agencies, as required by subdivision (b) of Section 8 of Article XVI of the California Constitution.

41202. The words and phrases set forth in subdivision (b) of Section 8 of Article XVI of the Constitution of the State of California shall have the following meanings:

(a) "Monies to be applied by the state," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution, means appropriations from the General Fund that are made for allocation to school districts, as defined, or community college districts. An appropriation that is withheld, impounded, or made without provisions for its allocation to school districts or community college districts, shall not be considered to be "monies to be applied by the state."

(b) "State General Fund revenues which may be appropriated pursuant to Article XIII B," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI, means General Fund revenues that are the proceeds of taxes as defined by subdivision (c) of Section 8 of Article XIII B of the California Constitution, including, for the 1986–87 fiscal year only, any revenues that are determined to be in

excess of the appropriations limit established pursuant to Article XIII B for the fiscal year in which they are received. General Fund revenues for a fiscal year to which paragraph (1) is being applied shall include, in that computation, only General Fund revenues for that fiscal year that are the proceeds of taxes, as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, and shall not include prior fiscal year revenues. The amount of the proceeds of taxes shall be computed for any fiscal year in a manner consistent with the manner in which the amount of the proceeds of taxes was computed by the Department of Finance for purposes of the Governor's Budget for the Budget Act of 1986.

(c) "State General Fund revenues appropriated for school districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, regardless of whether those appropriations were made from the General Fund to the Superintendent of Public Instruction, to the Controller, or to any other fund or state agency for the purpose of allocation to school districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(d) "State General Fund revenues appropriated for community college districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(e) "Total allocations to school districts and community college districts from the State General Fund proceeds of taxes appropriated pursuant to Article XIII B," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, and community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Superintendent of Public Instruction, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to

school districts and community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (2) of Section 8 of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(f) "State General Fund revenues appropriated for school districts and community college districts, respectively" and " monies to be applied by the state for the support of school districts and community college districts," as used in Section 8 of Article XVI of the California Constitution, shall include funds appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6 and shall not include any of the following:

(1) Any appropriation that is not made for allocation to a school district, as defined in Section 41302.5, or to a community college district regardless of whether the appropriation is made for any purpose that may be considered to be for the benefit to a school district, as defined in Section 41302.5, or a community college district. This paragraph shall not be construed to exclude any funding appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6.

(2) Any appropriation made to the Teachers' Retirement Fund or to the Public Employees' Retirement Fund except those appropriations for reimbursable state mandates.

(3) Any appropriation made to service any public debt.

(g) "Allocated local proceeds of taxes," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for school districts as defined, those local revenues, except revenues identified pursuant to paragraph (5) of subdivision (h) of Section 42238, that are used to offset state aid for school districts in calculations performed pursuant to Sections 2558, 42238, and 56712.

(h) "Allocated local proceeds of taxes," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for community college districts, those local revenues that are used to offset state aid for community college districts in calculations performed pursuant to Section 84700. In no event shall the revenues or receipts derived from student fees be considered "allocated local proceeds of taxes."

(i) For the purposes of calculating the 4 percent entitlement pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution, "the total amount required pursuant to Section 8(b)" shall mean the State General Fund aid required for schools pursuant to Section 8(b), and shall not include allocated local proceeds of taxes.

41203. Any calculation of the monies to be applied by the state for the support of school districts and community college districts, pursuant to subdivision (b) of Section 8 of Article XVI of the

California Constitution, shall be made as a single, aggregate calculation for the school districts serving kindergarten and grades 1 to 12, inclusive, for the community college districts, and for the direct elementary and secondary level instructional services provided by the State of California.

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), then the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) This section shall become operative July 1, 1990, only if Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

41203.2. For purposes of the calculations pursuant to subdivision (a) of Section 41203.1 for the 1990–91 fiscal year, the total allocations to community college districts in the 1989–90 fiscal year, as that term is defined in subdivision (e) of Section 41202, shall include funds appropriated pursuant to paragraph (2) of subdivision (b) of Section 36 of the act that adds this section to the Education Code.

41204. (a) It is the intent of the Legislature, pursuant to "The Classroom Instructional Improvement and Accountability Act," that school districts, as defined in Section 41302.5, and community college districts, as constituted during 1986–87 fiscal year, annually receive a basic minimum portion of the revenues that were deposited to the General Fund in that year.

(b) In recognition of this intent, it is further the intent of the Legislature that both houses and the Governor be guided by the following:

(1) If the revenues of a tax that were deposited in the General

Fund in the 1986–87 fiscal year are redirected to any local governmental entity, then the percentages of General Fund revenues required to be applied by the state for the support of school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services shall be recalculated as if those revenues were not deposited in the General Fund in the 1986–87 fiscal year.

(2) If the allocated local proceeds of taxes, as defined by subdivisions (g) and (h) of Section 41202, received by a school district or community college district during the 1986–87 fiscal year, are redirected to other entities or statutorily or constitutionally reduced or eliminated, the additional General Fund support provided to replace the allocated local proceeds of taxes may not be counted as General Fund revenues required to be applied for the support of school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services pursuant to paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, unless the percentage of General Fund revenues appropriated to school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services in the 1986–87 fiscal year is adjusted to reflect the amount of General Fund support that would have been provided in the 1986–87 fiscal year had the allocated local proceeds of taxes been correspondingly reduced.

(c) No appropriation of funding to be allocated to school districts, as defined in Section 41302.5, or community college districts, for the support of any program or activity of either or both of those entities, that is not an ordinary or historical responsibility of one or both of those entities shall be credited toward the state's funding obligation under subdivision (b) of Section 8 of Article XVI of the California Constitution.

41205. The Legislature hereby finds and declares that the only state agencies that provide direct elementary and secondary level instructional services within the meaning of Section 41302.5 are those state agencies enumerated in Section 8880.5 of the Government Code, or in any successor to that section, not including any agency enumerated in any of subdivisions (a) to (f), inclusive, of that section. The amount of any appropriation made to a state agency for direct elementary and secondary level instruction services shall be determined by applying the definition of those services, as defined in the State School of Accounting Manual, to the expenditures of the agency.

41206. (a) For purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution, all determinations of percentages, amounts, revenues, appropriations, allocations, proceeds of taxes, increases in cost of living, or enrollments shall be based upon the best available estimate until actual data becomes available, and then upon actual data when it is available.

(b) Within nine months following the end of any fiscal year, the

Superintendent of Public Instruction and the Director of Finance shall recalculate, as necessary, and jointly certify all actual data pertaining to school districts, as defined, for the prior fiscal year. Any amount of funding required by subdivision (b) of Section 8 of Article XVI of the California Constitution to be appropriated to school districts for that year, less any amounts already appropriated for that year, shall be set aside by the Controller and, if not appropriated to school districts by the Legislature within 90 days, shall be allocated to school districts by the Controller in proportion to the enrollment in school districts as determined for purposes of Section 8.5 of Article XVI of the California Constitution.

(c) Within nine months following the end of any fiscal year, the Chancellor of the California Community Colleges and the Director of Finance shall recalculate, as necessary, and jointly certify all actual data pertaining to community college districts, as defined, for the prior fiscal year. Any amount of funding required by subdivision (b) of Section 8 of Article XVI of the California Constitution to be appropriated to community college districts for that year, less any amounts already appropriated for that year, shall be set aside by the Controller and, if not appropriated to community college districts by the Legislature within 90 days, shall be allocated to community college districts by the Controller in proportion to the enrollment in community college districts as determined for purposes of Section 8.5 of Article XVI of the California Constitution.

41207. This chapter shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 9. Section 41341 of the Education Code is amended to read:

41341. (a) If, during any fiscal year, there is apportioned to a school district or to any fund from Section A of the State School Fund at least one hundred dollars ($100) more or at least one hundred dollars ($100) less than the amount to which the district or fund was entitled, the Superintendent of Public Instruction, in accordance with regulations that he or she is hereby authorized to adopt, not later than the first succeeding fiscal year from the fiscal year in which the computational error was made, shall withhold from, or add to, the apportionment made during that fiscal year, the amount of the excess or deficiency, as the case may be. Notwithstanding any other provision of this code to the contrary, excesses withheld or deficiencies added by the Superintendent of Public Instruction under this subdivision shall be added to or allowed from any portion of the State School Fund.

(b) If, during any fiscal year, there is apportioned to a community college district or to any fund from Section B of the State School Fund at least one hundred dollars ($100) more or at least one hundred dollars ($100) less than the amount to which the district or fund was entitled, the Chancellor of the California Community Colleges, in accordance with regulations that he or she is hereby

authorized to adopt, not later than the first succeeding fiscal year from the fiscal year in which the computational error was made, shall withhold from, or add to, the apportionment made during that fiscal year, the amount of the excess or deficiency, as the case may be. Notwithstanding any other provision of this code to the contrary, excesses withheld or deficiencies added by the Chancellor of the California Community Colleges under this subdivision shall be added to or allowed from any portion of the State School Fund.

SEC. 10. Section 41841.5 of the Education Code is amended to read:

41841.5. (a) The Superintendent of Public Instruction shall allow to each school district maintaining a secondary school an amount equal to the actual current expense of the district of maintaining adult education classes for prisoners in any county jail, or any county industrial farm or county or joint county road camp for the current fiscal year. The amount so allowed to a district for each unit of average daily attendance in these classes shall in no event exceed the statewide average revenue limit for adults multiplied by 0.8.

Each school district shall receive advanced apportionments as authorized by Sections 41330, 41332, and 41335 on the basis of the cost data report of the district for the preceding fiscal year and each district shall file a preliminary cost data report based upon estimated current expenses.

For purposes of this section, the Superintendent of Public Instruction shall, by rules and regulations, establish minimum standards for the conduct of the adult education classes, including, but not necessarily limited to, attendance requirements and requirements concerning records to be kept and reports to be submitted.

(b) There is hereby appropriated from the General Fund to Section A of the State School Fund the following sums for the following fiscal years for the purposes of subdivision (a):

(1) For the 1980–81 fiscal year	$1,020,100
(2) For the 1981–82 fiscal year and each fiscal year thereafter	$1,113,000

Commencing with the 1982–83 fiscal year, the amounts in paragraph (2) shall be cumulatively increased by 6 percent, unless otherwise provided by law. Commencing with the 1988–89 fiscal year, the amounts in paragraph (2) shall be increased by the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 11. Section 41851.1 is added to the Education Code, to read:

41851.1. (a) For the 1989–90 fiscal year, from Section A of the State School Fund, the Superintendent of Public Instruction shall apportion to each school district or county superintendent of schools, as appropriate, an amount computed pursuant to this section. School districts and county superintendents of schools that provide

transportation services by means of a joint powers agreement, a cooperative pupil transportation program, or a consortium shall receive transportation allowances pursuant to this section.

(b) For the 1989–90 fiscal year, each school district, joint powers agency, cooperative pupil transportation program, or consortium shall receive a transportation apportionment equal to the greater of the following:

(1) Sixty-five percent of the prior year's approved transportation costs.

(2) The prior year's transportation allowance.

(c) For the 1989–90 fiscal year, each county office of education shall receive a transportation apportionment equal to the greater of the following:

(1) Eighty percent of the prior year's approved transportation costs.

(2) The prior year's transportation allowance.

(d) In the event that funds appropriated for the purposes of this section are not sufficient to fully fund the formula established by that section, the amounts apportioned shall be reduced on a proportionate basis.

SEC. 12. Section 42238.4 of the Education Code is amended to read:

42238.4. (a) For the 1989–90 fiscal year, the county superintendent shall compute an equalization adjustment for each district, except as provided under subdivision (c), so that no district's base revenue limit per unit of average daily attendance is less than the 1988–89 fiscal year statewide average base revenue limit for the appropriate size and type of district listed in subdivision (b) plus the inflation adjustment specified in Section 42238.1 for the current fiscal year for the appropriate type of district. For purposes of this section, both the statewide average base revenue limits and the base revenue limits of each school district shall include any funding received pursuant to Section 54060.5, 54060.6, or 54060.7.

For purposes of this section, the district base revenue limit and the statewide average base revenue limit shall not include any amounts attributable to Section 45023.4, 46200, or 46201.

(b) Subdivision (a) shall apply to the following school districts, which shall be grouped according to size and type as follows:

District	ADA
Elementary	less than 101
High School	less than 301
High School	more than 300
Unified	less than 1,501
Unified	more than 1,500

(c) For the 1989–90 fiscal year, the county superintendent shall compute an equalization adjustment for each elementary school district having an average daily attendance of more than 100 so that

no such district's base revenue limit per unit of average daily attendance is less than the 1987–88 fiscal year statewide average base revenue limit for those districts plus the inflation adjustment specified in Section 42238.1 for those districts for the 1988–89 fiscal year and the current fiscal year.

(d) The Superintendent of Public Instruction shall compute a revenue limit equalization adjustment for each school district's base revenue limit per unit of average daily attendance as follows:

(1) Add the products of the amount computed for each school district by the county superintendent pursuant to subdivision (a) and the average daily attendance used to calculate the district's revenue limit for the current fiscal year.

(2) Divide the amount appropriated for purposes of this section for the current fiscal year by the amount computed pursuant to paragraph (1).

(3) Multiply the amount computed for the school district pursuant to subdivision (a) or (c), as appropriate, by the amount computed pursuant to paragraph (2).

SEC. 13. Section 42238.15 is added to the Education Code, to read:

42238.15. (a) Notwithstanding any other provision of law, and in lieu of any inflation or cost-of-living adjustment otherwise authorized for any of the programs enumerated in subdivision (b), state funding for the programs enumerated in subdivision (b) shall be increased annually by the product of the following:

(1) The sum of 1.0 plus the percentage change determined under subdivision (b) of Section 42238.1.

(2) The sum of 1.0 plus the percentage of increase, from the prior fiscal year to the current fiscal year, in each of the workload factors described in subdivision (b).

(b) The programs for which annual state funding increases are determined under this section, and the factors used to measure workload for each of those programs, are as follows:

(1) Special education programs and services, as measured by the regular second principal apportionment average daily attendance for kindergarten and grades 1 to 12, inclusive.

(2) Child care and development programs, and preschool programs, as measured by the state population of children up to and including four years of age.

(3) Instructional materials for kindergarten and grades 1 to 8, inclusive, as measured by enrollment in kindergarten and grades 1 to 8, inclusive.

(4) Instructional materials for grades 9 to 12, inclusive, as measured by enrollment in those grades.

(5) Regional occupational programs and centers, as measured by enrollment in grades 11 and 12.

(6) School improvement programs in kindergarten and grades 1 to 6, inclusive, as measured by enrollment in kindergarten and grades 1 to 6, inclusive.

(7) School improvement programs in grades 7 to 12, inclusive, as measured by enrollment in those grades.

(8) Economic impact aid, as measured by the number of children aged 5 to 17, inclusive, from families that receive Aid to Families with Dependent Children and the number of pupils of limited English proficiency, as identified pursuant to Section 52163.

(9) Staff development programs, as measured by enrollment in kindergarten and grades 1 to 12, inclusive.

(c) This section shall become operative July 1, 1990, only if Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 14. Section 42251 is added to the Education Code, to read:

42251. (a) For the 1989–90 fiscal year, a school district may increase its revenue limit by the amount calculated pursuant to subdivision (b).

(b) (1) The district shall subtract, from its average daily attendance used for funding in the 1988–89 fiscal year pursuant to Section 42238.5, the amount of average daily attendance used for funding in the 1989–90 fiscal year pursuant to Section 42238.5. If the result is a negative number it shall be deemed to be zero.

(2) (A) Multiply the result obtained pursuant to paragraph (1) by the lesser of the district's 1988–89 fiscal year base revenue limit per unit of average daily attendance or the 1988–89 fiscal year statewide average revenue limit for similar types of districts.

(B) Multiply the product obtained pursuant to subparagraph (A) by 0.25.

(c) A district shall not be entitled to the portion of any adjustment that is attributable to a loss in average daily attendance resulting from a district reorganization plan.

(d) The calculation of reduction of average daily attendance of any school district to determine the district's entitlement to funding pursuant to this section shall not reflect any reduction in average daily attendance resulting from the authorization of district residency for any pupil pursuant to Section 48204.

(e) If the funds made available for purposes of this section are insufficient to fund the amounts calculated pursuant to subdivision (b), the Superintendent of Public Instruction shall reduce the amounts by an equal pro rata percentage.

SEC. 15. Section 42241.2 of the Education Code is amended to read:

42241.2. A school district may add, in the computation of the district's revenue limit pursuant to Section 42238 for the current fiscal year, the amount computed in the preceding fiscal year for Meals for Needy Pupils programs (Article 11 (commencing with Section 49550) of Chapter 9 of Part 27) multiplied by the sum of 1 plus the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 16. Section 49536 of the Education Code is amended to read:

49536. Commencing with the 1985–86 fiscal year, funds allocated

pursuant to subdivision (a) of Section 41350 to child nutrition entities for school and child care and development program meals pursuant to this article shall be disbursed on the basis of eleven and thirty-five hundredths of a cent ($0.1135) for each breakfast and eleven and thirty-five hundredths of a cent ($0.1135) for each lunch served.

The State Department of Education shall thereafter, prior to July 1 of each subsequent year, prescribe an adjustment in the state meal contribution rates established pursuant to this section for the forthcoming fiscal year. The adjustments shall reflect the changes in the cost of operating a school breakfast and lunch program and shall be made commencing on July 1 of each year. The adjustment shall be the average of the separate indices of the "Food Away From Home Index" for Los Angeles and San Francisco as prepared by the United States Bureau of Labor Statistics.

In giving effect to the cost-of-living provisions of this section, the Department of Education shall use the same month for computation of the percentage change in the cost of living after July 1, 1975. The same month shall be used annually thereafter. The product of any percentage increase or decrease in the average index and the per meal reimbursement disbursement rate shall be adjusted by the amount of any cost-of-living change currently in effect pursuant to the provisions of this section.

Commencing with the 1988–89 fiscal year, the cost-of-living adjustment shall be equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 17. Section 52616 of the Education Code is amended to read:

52616. The Superintendent of Public Instruction shall determine an adult block entitlement for school districts which maintain education programs for adults. This entitlement shall be paid from appropriations to Section A of the State School Fund as a part of the principal apportionment to school districts.

(a) For the 1983–84 fiscal year, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year calculated pursuant to Provision 1 of Item 6100-156-001 of the Budget Act of 1982 shall be increased by seventy dollars ($70). For the 1984–85 fiscal year to the 1987–88 fiscal year, inclusive, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year shall be increased by an amount equal to 6 percent of the prior year's statewide average adult revenue limit per unit of average daily attendance, provided that no such revenue limit per unit of average daily attendance shall be less than 1.06 times the prior fiscal year's statewide average adult revenue limit per unit of average daily attendance. For the 1988–89 fiscal year and each fiscal year thereafter, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year shall be increased by an amount equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) For the purposes of the block entitlement, the district's average daily attendance shall be the lesser of paragraph (1) or (2):

(1) The 1982–83 adult average daily attendance authorized for funding purposes for the programs specified in Section 41976, as specified in Item 6100-156-001 of the Budget Act of 1982, multiplied by 1.025 in the 1983–84 fiscal year and each fiscal year thereafter.

(2) The actual adult average daily attendance for the programs specified in Section 41976.

(c) The adult block entitlement shall be computed by multiplying the adult revenue limit per unit of average daily attendance from subdivision (a) and the adult average daily attendance allowed in subdivision (b). The adult block entitlement shall be deposited in a separate fund of the district to be known as the "adult education fund." Moneys in an adult education fund shall be expended only for adult education purposes. Moneys received for programs other than adult education shall not be expended for adult education.

(d) If the adult average daily attendance of a school district in any fiscal year is less than the adult average daily attendance utilized to compute the funded district adult education block entitlement for that fiscal year, the district shall receive an apportionment only for the actual average daily attendance generated. Any surpluses accrued as a result of average daily attendance not generated in a district's block entitlement shall be reallocated after the annual apportionment by the Superintendent of Public Instruction to provide services to welfare recipients pursuant to Section 33117.5. Any remaining surplus shall be reallocated to meet unanticipated growth in adult education. The receipt of reallocated funds shall not be used for computational purposes for the district's block entitlement for subsequent fiscal years.

(e) Each school district which conducted adult education programs for substantially handicapped adults in activity centers, work activity centers, sheltered workshops, state hospitals, and other community settings, shall set aside an amount of money from its adult education block entitlement equal to its current fiscal year revenue limit times the average daily attendance generated in these facilities in the 1979–80 fiscal year times 1.02, subject to the following:

(1) The classes and courses offered in activity centers, work activity centers, sheltered workshops, and state hospitals shall be authorized pursuant to subdivision (e) of Section 41976.

(2) A school district shall operate classes in these facilities and shall expend all funds set aside pursuant to this subdivision and shall use all funds exclusively for those classes for substantially handicapped adults.

(3) The conditions imposed by paragraphs (1) and (2) may be waived by the Superintendent of Public Instruction upon certification from the school district that the local demand for the program is less than the required level of service.

SEC. 18. Section 54022 of the Education Code is amended to read:

54022. For entitlements of the 1989–90 fiscal year and each year thereafter, the Superintendent of Public Instruction shall calculate state gross need by multiplying the state index of need by the

average excess cost of education for impact aid.

The state index of need shall be: number of children aged 5 to 17 years, inclusive, from families that receive Aid to Families with Dependent Children.

The average excess cost of education for impact aid shall be five hundred sixty-five dollars and thirty-six cents ($565.36) in the 1989–90 fiscal year and shall be adjusted annually by the amount of the percentage increase determined under subdivision (b) of Section 42238.1.

SEC. 19. Section 54029 of the Education Code is amended to read:

54029. The State Board of Education may, pursuant to Article 3 (commencing with Section 33050) of Chapter 1 of Part 20, waive any statutory provision or regulation regarding the use of funds apportioned pursuant to this article, provided that the funds are used in the same schools, or in schools in similar need, and the district demonstrates a reasonable case that the waiver will improve pupil services in those schools.

SEC. 20. Section 54030 is added to the Education Code, to read:

54030. For the purposes of this article, economically disadvantaged pupils shall be defined as the sum of the number of children aged 5 to 17, inclusive, from families that receive Aid to Families with Dependent Children and the number of pupils of limited English proficiency, as identified pursuant to Section 52163.

SEC. 21. Section 54031 is added to the Education Code, to read:

54031. Notwithstanding Section 54026, school districts with low concentrations of economically disadvantaged pupils shall be allocated funds pursuant to the following schedule:

Number of economically disadvantaged pupils	Amount
0	None
1-10	$4,000
11-20	$6,000

SEC. 22. Section 54032 is added to the Education Code, to read:

54032. School districts shall not expend economic impact aid funds at school sites that do not have pupils of limited English proficiency, as identified pursuant to Section 52163, or who are determined, pursuant to standards established by the State Department of Education, to be academically low achieving. These funds shall:

(a) Be utilized to serve and to assist those pupils.

(b) Supplement, and not supplant, existing resources at the schoolsite.

SEC. 23. Section 54033 is added to the Education Code, to read:

54033. For the 1989–90 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall compute an equalization adjustment for each district as follows:

(a) The superintendent shall divide the total amount of economic

impact aid allocations to the district, as calculated under this article, by the total number of economically disadvantaged pupils, to determine the statewide average economic impact aid allocation per economically disadvantaged pupil.

(b) The superintendent shall adjust the allocations made pursuant to Article 4 (commencing with Section 54040) so that each district's economic impact aid allocation per economically disadvantaged pupil is no less than the statewide average economic impact aid allocation per economically disadvantaged pupil for the prior fiscal year, as determined pursuant to subdivision (a).

SEC. 24. Article 9 (commencing with Section 54760) is added to Chapter 9 of Part 29 of the Education Code, to read:

Article 9 Supplemental Grants

54760. It is the intent of the Legislature to provide equal educational opportunity for all children in California. To achieve this end, the Legislature hereby establishes supplemental grants to be allocated to school districts that are receiving less than average funding from existing state programs. It is the intent of the Legislature that supplemental grants be funded by appropriations in the Budget Act in each of the two fiscal years following the first fiscal year in which funds for these grants are appropriated.

54761. In the 1989–90, 1990–91, and 1991–92 fiscal years, the Superintendent of Public Instruction shall provide supplemental grants to school districts.

(a) The supplemental grants shall be calculated in the following manner:

(1) For each school district the superintendent shall compute the sum of the following:

(A) The district's total revenue limit for the current fiscal year, including any equalization aid received pursuant to Section 42238.4 of the Education Code, as estimated by the superintendent at the time of the second principal apportionment for the current fiscal year.

(B) State aid received by the district for categorical education programs from the General Fund for the current fiscal year, as specified in clauses (i) and (ii), including funds appropriated for categorical programs by the act that adds this article to the Education Code, as estimated by the superintendent at the time of the second principal apportionment for the current fiscal year.

(i) The categorical education programs referenced in paragraph (B) shall include the following:

(I) High school pupil counseling.

(II) Home-to-school transportation, excluding special education transportation.

(III) School Improvement Program.

(IV) Vocational education pupil organizations.

(V) Specialized secondary schools.

(VI) Foster youth services.
(VII) Opportunity classes and programs.
(VIII) Pupil dropout prevention.
(IX) Economic Impact Aid.
(X) Gifted and talented education.
(XI) Miller-Unruh reading program.
(XII) Intergenerational education.
(XIII) Native American Indian education.
(XIV) Demonstration programs in reading and mathematics.
(XV) Partnership academies.
(XVI) Agricultural vocational education.
(XVII) Environmental education.
(XVIII) Instructional materials for kindergarten and grades 1 to 8, inclusive.
(XIX) Instructional materials for grades 9 to 12, inclusive.
(XX) Mentor teacher program
(XXI) Beginning teacher support and assessment.
(XXII) Reader services for blind teachers.
(XXIII) Child nutrition.
(XXIV) School/law enforcement partnership.
(XXV) Educational technology program.
(XXVI) Small school district bus replacement.

(ii) The categorical programs in clause (i) shall not include the following:

(I) Special education programs operated pursuant to Part 30 (commencing with Section 56000).

(II) Reimbursement for the costs of court-ordered or voluntary desegregation programs pursuant to Article 2 (commencing with Section 42238) of Chapter 7 of Part 24.

(III) Regional occupational centers and programs operated pursuant to Article 1 (commencing with Section 52300) of Part 28.

(IV) Adult education programs operated pursuant to Chapter 10 (commencing with Section 52500) of Part 28.

(V) Child care and development services and preschool programs operated pursuant to Chapter 2 (commencing with Section 8200) of Part 6.

(2) The superintendent shall divide the sum computed pursuant to paragraph (1) by the second principal apportionment regular average daily attendance of the school district for the current fiscal year.

(3) The superintendent shall compute the statewide weighted average of the amounts computed pursuant to paragraph (2) for each of the sizes and types of school districts identified pursuant to subdivision (b) of Section 42238.4, as that section read on January 1, 1989.

(4) For each school district, from the amount computed in paragraph (3) for the appropriate size and type of school district, the superintendent shall subtract the amount computed in paragraph (2). If the result is less than zero, it shall be deemed to be zero. If

the result is greater than one hundred dollars ($100) it shall be deemed to be one hundred dollars ($100).

(5) The superintendent shall multiply the amount computed pursuant to paragraph (4) by the district's second principal apportionment regular average daily attendance for the current fiscal year.

(b) (1) At the time of the first principal apportionment for the current fiscal year, except as provided pursuant to subdivision (c), the superintendent shall compute for each school district an estimate of the amount computed in paragraph (5) of subdivision (a), and shall apportion to each school district 75 percent of this estimate.

(2) At the time of the second principal apportionment for the current fiscal year, except as provided pursuant to subdivision (c), the superintendent shall apportion the balance of the amount computed pursuant to paragraph (5) of subdivision (a).

(c) In the event that the sum of the amounts computed pursuant to paragraph (5) of subdivision (a) exceeds the amount appropriated for purposes of this article, the amounts apportioned pursuant to subdivision (b) shall be reduced on a proportionate basis.

(d) Funds appropriated pursuant to this article shall be part of the base funding of each school district.

(e) All grant funding apportioned under this article to any school district shall be deposited by that district into a restricted account, and shall be expended from that account only for the purpose of funding one or more of the programs enumerated in clause (i) of subparagraph (B) of paragraph (1) of subdivision (a).

SEC. 25. Section 60246 of the Education Code is amended to read:

60246. (a) The Controller shall, during each fiscal year, commencing with the 1983–84 fiscal year, transfer from the General Fund of the state to the State Instructional Materials Fund, an amount of twenty-one dollars and eighteen cents ($21.18) per pupil in the average daily attendance in the public elementary schools during the preceding fiscal year, as certified by the Superintendent of Public Instruction, except that this amount shall be adjusted annually through and including fiscal year 1987-88 in conformance with the Consumer Price Index, all items, of the Bureau of Labor Statistics of the United States Department of Labor, measured for the calendar year next preceding the fiscal year to which it applies. Commencing with the 1988-89 fiscal year, the amount shall be adjusted annually by an amount equal to percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) The amount transferred pursuant to subdivision (a) includes the designated percentage of the cash entitlements to be used to pay for unadopted state materials, tests, and in-service training.

SEC. 26. Section 7901 of the Government Code is amended to read:

7901. For the purposes of Article XIII B of the California Constitution and this division:

(a) "Change in California per capita personal income" for a

calendar year means the number resulting when the quotient of the California personal income, as published by the United States Department of Commerce in the Survey of Current Business for the fourth quarter of a calendar year divided by the civilian population of the state on January 1 of the next calendar year, as estimated by the Department of Finance, is divided by the similarly determined quotient for the next prior year. For example, the change in California per capita personal income for 1979 (to be used for computing the appropriations limit for the 1980–81 fiscal year) would equal the fourth quarter 1979 personal income divided by the January 1, 1980, population, the quotient divided by the fourth quarter 1978 personal income divided by the January 1, 1979, population.

(b) "Change in cost of living" for a calendar year means the number resulting when the United States All Urban Consumer Price Index for the month of March of a calendar year is divided by that index for the month of March of the prior calendar year.

(c) "Change in population" for a local agency for a calendar year means the number resulting when the percentage change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for each city and county and Section 2228 of the Revenue and Taxation Code for each special district, plus 100, is divided by 100. For example, the change in population for 1979 would equal the percentage change in population between January 1, 1980, and January 1, 1979, plus 100, the sum divided by 100. For purposes of the state's appropriations limit, "change in population" means the number resulting when the civilian population of the state on January 1 of the next calendar year, as estimated by the Department of Finance, is divided by the similarly estimated population for January 1 of the calendar year in question. For example, the change in population for 1979 (to be used for computing the appropriations limit for the 1980–81 fiscal year) would equal the January 1, 1980, population divided by the January 1, 1979, population.

(d) "Change in population" for a school district means the change in average daily attendance between the year prior to that for which the appropriations limit is being computed and the year for which the appropriations limit is being computed, using the average daily attendance as defined in Section 7906.

(e) "Change in population" for a community college district means the number resulting when the average daily attendance for the community college district for the current year computed pursuant to Section 84500 of the Education Code is divided by the similarly computed average daily attendance for the previous year.

(f) "Local agency" means a city, county, city and county, special district, authority or other political subdivision of the state, except a school district, community college district, or county superintendent of schools. The term "special district" shall not include any district

which (1) existed on January 1, 1978, and did not possess the power to levy a property tax at that time or did not levy or have levied on its behalf, an ad valorem property tax rate on all taxable property in the district on the secured roll in excess of 12½ cents per $100 of assessed value for the 1977–78 fiscal year, or (2) existed on January 1, 1978, or was thereafter created by a vote of the people, and is totally funded by revenues other than the proceeds of taxes as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution.

If a special district levied, or had levied on its behalf, different property tax rates for the 1977–78 fiscal year depending on which area or zone within the district boundaries property was located, it shall be deemed not to have levied a secured property tax rate in excess of 12½ cents per $100 of assessed value if the total revenue derived from the ad valorem property tax levied by or for the district for 1977–78, divided by the total amount of taxable assessed valuation within the district's boundaries for 1977–78, does not exceed .00125.

(g) "School district" means an elementary, high school, or unified school district.

(h) "Local jurisdiction" means a local agency, school district, community college district, or county superintendent of schools.

(i) As used in Section 2 and subdivision (b) of Section 3 of Article XIII B, "revenues" means all tax revenues and the proceeds to a local jurisdiction or the state received from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues as described in subdivision (i) of Section 8 of Article XIII B. For a local jurisdiction, revenues and appropriations shall also include subventions, as defined in Section 7903, and with respect to the state, revenues and appropriations shall exclude those subventions.

(j) "Proceeds of taxes" shall not include proceeds to a local jurisdiction or the state from regulatory licenses, user charges, or user fees except to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service.

SEC. 27. Section 7906 of the Government Code is amended to read:

7906. For school districts:

(a) "ADA" means a school district's second principal apportionment units of average daily attendance as determined pursuant to Section 42238.5 of the Education Code, including average daily attendance in summer school, regional occupational centers and programs, and apprenticeship programs, and excluding average daily attendance in adult education programs. All other units of average daily attendance including, but not limited to, special day classes for special education pupils, shall be included.

(1) For purposes of this subdivision, the average daily attendance of summer school programs shall be determined pursuant to

subparagraph (F) of paragraph (1) of subdivision (a) of Section 14022.5 of the Education Code.

(2) For purposes of this subdivision, the average daily attendance of apprenticeship programs shall be determined pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of Section 14022.5 of the Education Code.

(b) "Foundation program level" means:

(1) For the 1978–79 fiscal year, one thousand two hundred forty-one dollars ($1,241) for elementary districts, one thousand three hundred twenty-two dollars ($1,322) for unified districts, and one thousand four hundred twenty-seven dollars ($1,427) for high school districts.

(2) For the 1979–80 fiscal year through the 1986–87 fiscal year, inclusive, the levels specified in paragraph (1) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(3) For the 1986–87 fiscal year, the levels specified in paragraph (2) increased by one hundred eighty dollars ($180) for elementary districts, one hundred ninety-one dollars ($191) for unified districts, and two hundred seven dollars ($207) for high school districts.

(4) For the 1987–88 fiscal year, the levels specified in paragraph (3) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(5) For the 1988–89 fiscal year and each fiscal year thereafter, the foundation program level shall be the appropriations limit of the school district for the current fiscal year, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year which are from the proceeds of taxes.

(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes which count towards the revenue limit, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234 of the Education Code.

(c) "Proceeds of taxes" shall be deemed to include subventions received from the state only if those subventions are for one of the following two purposes:

(1) Basic aid subventions of $120 per ADA.

(2) Additional apportionments, including special purpose apportionments which, when added to the district's local revenues as defined in Section 42238 of the Education Code, do not exceed the foundation program level for that district. In no case shall subventions received from the state for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for

reimbursement of court or federal mandates imposed on or after November 6, 1979, be considered "proceeds of taxes" for the purposes of this section.

(d) Proceeds of taxes for a fiscal year shall not include any proceeds of taxes within the district's beginning balance or reserve, unless those funds were not appropriated in a prior fiscal year. Funds that were appropriated to a reserve or other fund referenced in Section 5 of Article XIII B of the California Constitution shall be deemed to be appropriated for the purpose of this paragraph.

(e) The remainder of the state apportionments, including special purpose apportionments and categorical aid subventions shall not be considered proceeds of taxes for a school district.

(f) Amounts paid for court or federal mandates shall be excluded from the computation of appropriations limits and foundation program levels.

(2) Each school district shall report to the Superintendent of Public Instruction and to the Director of Finance at least annually its appropriation limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the school district, and amounts excluded from its appropriations limit, at a time and in a manner prescribed by the Superintendent of Public Instruction and approved by the Director of Finance.

SEC. 28. Section 7907 of the Government Code is amended to read:

7907. For county superintendents of schools:

(a) "Proceeds of taxes" shall be deemed to include subventions received from the state only if those subventions are received for programs operated pursuant to:

(1) Subdivision (e) of Section 2500, Section 2500.1, Section 1982 for pupils specified in subdivision (c) of Section 1981, Section 14057 for programs operated pursuant to Sections 48633 and 48634, Section 1904 and subdivision (a) of Section 1908, Section 52570, or Section 1806 of the Education Code; or

(2) Section 1510, 2504, 2506, 2506.5, or 2509 of the Education Code.

(b) For programs identified in paragraph (1) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost-of-living or change in California per capita personal income applicable to each year and by the percentage change in average daily attendance in those programs for the 1979–80 and 1980–81 fiscal years.

(c) For all other programs operated by the county superintendent of schools, including, but not limited to, the programs identified in paragraph (2) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost-of-living or change in

California per capita personal income for each year and by the percentage change in population (as defined by subdivision (d) of Section 7901) for all the districts in the county for the 1979–80 and 1980–81 fiscal years.

(d) The sum of the amounts calculated in subdivisions (b) and (c) shall be the appropriations limit for the county superintendent for the 1980–81 fiscal year.

(e) For the 1981–82 fiscal year and each year thereafter, the appropriations limit for the prior year shall be adjusted by the appropriate average daily attendance and the lesser of the change in cost-of-living or California per capita personal income.

(f) For the 1981–82 fiscal year through the 1987–88 fiscal year, state apportionments to county superintendents in excess of the amounts in subdivision (d) or (e) shall not be considered proceeds of taxes for a county superintendent of schools.

(g) For the 1988–89 fiscal year and each fiscal year thereafter, the state apportionments to county superintendents which shall be considered "proceeds of taxes" for a county superintendent of schools shall be equal to the lesser of the following:

(1) The total amount of state apportionments received for that fiscal year, excluding amounts paid for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979.

(2) The appropriations limit for the county superintendent for that fiscal year, less the sum of all of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year which are from the proceeds of taxes.

(C) Locally voted taxes received during the current year, such as parcel taxes or square foot taxes, other than for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current year, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234 of the Education Code.

(E) Local proceeds of taxes received during the current fiscal year which offset state aid.

(3) Amounts paid for court or federal mandates shall be excluded from the appropriations limit.

SEC. 29. Section 7908 of the Government Code is amended to read:

7908. For community college districts:

(a) As used in this section, "ADA" means the annual average daily attendance reported for students attending the community college district during the fiscal year.

(b) "Proceeds of taxes" shall be deemed to include subventions from the state, including special purpose apportionments, but

excluding subventions received from the state for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979, only if those subventions, when added to the district's local resources, as defined in items (2) and (3) of subdivision (a) of Section 84904 of the Education Code, do not exceed:

(1) For the 1978–79 fiscal year, the lesser of the statewide average revenues or the actual revenues received per ADA, as defined in paragraph (1) of subdivision (c) of Section 84700 of the Education Code, multiplied by the ADA in the district for the 1978–79 fiscal year.

(2) For the 1979–80 through the 1987–88 fiscal years, the amount specified in paragraph (1) adjusted by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year and the percentage change in the district's ADA for that fiscal year.

(3) For the 1988–89 fiscal year and each fiscal year thereafter, the appropriations limit of that district, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year which are from the proceeds of taxes.

(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes which count towards the revenue limit, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234.

(c) Amounts paid for court or federal mandates shall be excluded from the appropriations limit.

(d) Each community college district shall report to the Chancellor of the California Community Colleges and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the district, and amounts excluded from the appropriations limit, at a time and in a manner prescribed by the Chancellors of the California Community Colleges and approved by the Director of Finance.

SEC. 30. Section 13337 of the Government Code is amended to read:

13337. (a) The budget required by the State Constitution to be submitted by the Governor at each regular session of the Legislature shall be submitted within the first 10 days thereof and shall contain a complete plan and itemized statement of all proposed expenditures of the state provided by existing law or recommended by him or her,

and all of its institutions, departments, boards, bureaus, commissions, officers, employees, and other agencies, and of all estimated revenues, for the ensuing fiscal year, together with a comparison, as to each item of revenues and expenditures, with the actual revenues and expenditures for the last completed fiscal year, the estimated revenues, and expenditures for the existing fiscal year and the budgeted revenue and expenditures for the next fiscal year.

(b) The budget shall, in accordance with Chapter 2 (commencing with Section 41200) of Part 24 of the Education Code, include a section that specifies the percentages and amounts of General Fund revenues that must be set aside and applied for the support of school districts, as defined in Section 41302.5, and community college districts, as required by subdivision (b) of Section 8 of Article XVI of the California Constitution.

(c) The Governor, or the Department of Finance acting on his or her behalf, shall make appropriate changes in the budget request to reflect any modification in the organization or functions of state government proposed under Article 7.5 (commencing with Section 12080) of Chapter 1 prior to the passage of the budget.

(d) The Governor's Budget shall be prepared in accordance with guidelines and instructions adopted by the Department of Finance.

(e) In order to provide meaningful comparisons, the Governor's Budget shall be prepared in such a manner that the information presented provides for such comparisons between the fiscal years.

(f) The Department of Finance shall submit to the committee in each house which considers appropriations and to the Joint Legislative Budget Committee copies of budget material submitted to it by agencies pursuant to the provisions of Article 2 (commencing with Section 13320).

(g) The Governor's Budget shall also include a coding structure which indicates for each budget entity the categorization of expenditures and revenues.

(h) Prior to the submission of the Governor's Budget to the Legislature, the Department of Finance may conduct public hearings regarding any portion of any budget.

(i) The Governor, or the Department of Finance acting on his or her behalf, shall, at the same time the Governor's Budget is submitted to the Legislature, submit to the Legislature copies of the material for the purposes of subdivision (j).

(j) The Department of Finance shall develop a fiscal information system which will provide timely and uniform fiscal data needed to formulate and monitor the budget, including, but not limited to, on-line inquiry capacity and the ability to simulate budget expenditures and forecast revenues. This system may include, among other things, data on encumbrances and expenditures by line item, governmental unit, and fund source. The system shall also include expenditures and encumbrances by program, as required. This system shall also include a coding structure which indicates the categorization of expenditures and revenues. This system and the

data shall be available to both the legislative and executive branches. The system may contain separate programs accessible by only one branch, designed to provide for distinct application of the data, but the basic system data shall be available on an equal basis to both the legislative and executive branches of government.

SEC. 31. Section 13864 is added to the Penal Code, to read:

13864. There is hereby created in the Office of Criminal Justice Planning the Comprehensive Alcohol and Drug Prevention Education Program, to supplement the Suppression of Drug Abuse in Schools Program in public elementary schools in grades 4 to 6, inclusive. Notwithstanding Section 13861 or any other provision in this code, all Comprehensive Alcohol and Drug Prevention Education Program funds made available to the Office of Criminal Justice Planning in accordance with the Classroom Instructional Improvement and Accountability Act shall be administered and disbursed to county superintendents of schools in this state by the Executive Director of the Office of Criminal Justice Planning. All applications for that funding shall be viewed an evaluated by the Office of Criminal Justice Planning, in consultation with the Department of Alcohol and Drug Programs and the State Department of Education.

(a) The executive director is authorized to allocate and award funds to county department superintendents of schools for allocation to individual school districts or to a consortium of two or more school districts. Applications funded under this section shall comply with the criteria, policies, and procedures established under subdivision (b) of this section.

(b) As a condition of eligibility for the funding described in this section, the school district or consortium of school districts shall have entered into an agreement with a local law enforcement agency to jointly implement a comprehensive alcohol and drug abuse prevention, intervention, and suppression program developed by the Office of Criminal Justice Planning, in consultation with the Department of Alcohol and Drug Programs and the State Department of Education, containing all of the following components:

(1) A standardized age-appropriate curriculum designed for pupils in grades 4 to 6, inclusive, specifically tailored and sensitive to the socioeconomic and ethnic characteristics of the target pupil population. Although new curricula shall not be required to be developed, existing curricula may be modified and adapted to meet local needs. The elements of the standardized comprehensive alcohol and drug prevention education program curriculum shall be defined and approved by the Governor's Policy Council on Drug and Alcohol Abuse, as established by Executive Order # D-70-80.

(2) A planning process that shall include both assessment of the school district's characteristics, resources and the extent of problems related to juvenile drug abuse, and input from local law enforcement agencies.

(3) A school district governing board policy that provides for a coordinated intervention system that, at a minimum, includes procedures for identification, intervention, and referral of at-risk alcohol- and drug-involved youth, and identifies the roles and responsibilities of law enforcement, school personnel, parents, and pupils.

(4) Early intervention activities that include, but are not limited to, the identification of pupils who are high risk or have chronic drug abuse problems, assessment, and referral for appropriate services, including ongoing support services.

(5) Parent education programs to initiate and maintain parental involvement, with an emphasis for parents of at-risk pupils.

(6) Staff and in-service training programs, including both indepth training for the core team involved in providing program services and general awareness training for all school faculty and administrative, credentialed, and noncredentialed school personnel.

(7) In-service training programs for local law enforcement officers.

(8) School, law enforcement, and community involvement to ensure coordination of program services.

(c) The application of the county superintendent of schools shall be submitted to the Office of Criminal Justice Planning. Funds made available to the Office of Criminal Justice Planning for allocation under this section are intended to enhance, but shall not supplant, local funds that would, in the absence of the Comprehensive Alcohol and Drug Prevention Education Program, be made available to prevent, intervene in, or suppress drug abuse among school-age children. For districts that are already implementing a comprehensive drug abuse prevention program for pupils in grades 4 to 6, inclusive, the county superintendent shall propose the use of the funds for drug prevention activities in school grades other than 4 to 6, inclusive, compatible with the program components of this section. The expenditure of funds for that an alternative purpose shall be approved by the executive director.

(1) Unless otherwise authorized by the Office of Criminal Justice Planning, each county superintendent of schools shall be the fiscal agent for any Comprehensive Alcohol and Drug Prevention Education program award, and shall be responsible for ensuring that each school district within that county receives the allocation prescribed by the Office of Criminal Justice Planning. Each county superintendent shall develop a countywide plan that complies with program guidelines and procedures established by the Office of Criminal Justice Planning pursuant to subdivision (d). A maximum of 5 percent of the county's allocation may be used for administrative costs associated with the project.

(2) Each county superintendent of schools shall establish and chair a local coordinating committee to assist the superintendent in developing and implementing a countywide implementation plan. This committee shall include the county drug administrator, law

enforcement executives, school district governing board members and adminstrators, school faculty, parents, and drug prevention and intervention program executives selected by the superintendent and approved by the county board of supervisors.

(d) The Executive Director of the Office of Criminal Justice Planning, in consultation with the Department of Alcohol Drug Programs and the State Department of Education, shall prepare and issue guidelines and procedures for the Comprehensive Alcohol and Drug Prevention Education Program consistent with this section.

(e) The Comprehensive Alcohol and Drug Prevention Education Program guidelines shall set forth the terms and conditions upon which the Office of Criminal Justice Planning is prepared to award grants of funds pursuant to this section. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(f) Funds awarded under the Comprehensive Alcohol and Drug Prevention Education Program shall not be subject to Section 10318 of the Public Contracts Code.

(g) Commencing January 1, 1991, or six months after a full year of program operation, whichever occurs later, the executive director shall prepare and submit an annual report to the Legislature describing the operation of the program and the results obtained from the Comprehensive Alcohol and Drug Prevention Education Program receiving funds under this section.

(h) Funds available pursuant to Item 8100-001-001 of the Budget Act of 1989, or the successor provision of the appropriate Budget Act, shall be allocated to implement this section.

SEC. 32. Notwithstanding any other provision of law, any school district not receiving funding in the 1988–89 fiscal year for gifted and talented education programs may apply to the Superintendent of Public Instruction for funding for a program for gifted and talented education, commencing in the 1989–90 fiscal year, which funding shall be apportioned pursuant to the funding formula that applied, as of that date, for a district's first year of funding for that purpose.

SEC. 33. If a school district has computed its appropriations limit using a method that differs from the method specified in Sections 7901 and 7906 of the Government Code, it shall compute its 1989–90 appropriations limit as if it were using this method for all years, beginning in 1978–79.

SEC. 34. Notwithstanding Section 42238.1 of the Education Code, the amount calculated pursuant to subdivision (b) of Section 42238.1 of the Education Code for the 1989–90 fiscal year shall be deemed to be 4.64 percent.

SEC. 35. Notwithstanding any other provision of law, no provision of this act shall be construed to require the allocation of funds to school districts, as defined in Section 41302.5 of the Education Code, or community college districts, in excess of the amount require by subdivision (b) of Section 8 of Article XVI of the California Constitution to be applied, in the aggregate, to the support

of those entities.

SEC. 36. (a) The sum of three hundred seventy-nine million eight hundred seventy thousand dollars ($379,870,000) is hereby appropriated from the General Fund to Section A of the State School Fund for the 1988–89 fiscal year, for expenditure without regard to fiscal year. The amount appropriated shall be apportioned in accordance with the following schedule:

(1) To the Superintendent of Public Instruction for allocation to school districts and county offices of education based on an equal amount per unit of average daily attendance. The amount a district receives under this paragraph shall not be considered an adjustment to the district's base revenue limit. The disbursement of these funds shall be included as part of the apportionments which a school district or county office of education is allowed under Article 3 (commencing with Section 41330) of Chapter 3 of Part 24 of the Education Code, and shall be allocated in the advance apportionment and the first principal apportionment based on available estimates of average daily attendance $250,000,000

(2) For transfer to the State School Deferred Maintenance Fund, for allocation to school districts, as provided for in Sections 39619 and 39619.2 of the Education Code $23,000,000

(3) To the Superintendent of Public Instruction for allocation to school districts to provide for expansion and equalization of the school improvement program in kindergarten and grades 1 to 6, inclusive, pursuant to Section 52048 of the Education Code $24,000,000

(4) To the Superintendent of Public Instruction to provide planning grants at a level of $30 per pupil to all schools with approved applications for the purposes of establishing school improvement programs in grades 7 and 8 pursuant to Chapter 6 (commencing with Section 52000) of the Education Code $10,000,000

(5) To the Superintendent of Public Instruction for allocation to school districts to equalize and update the formula for the economic impact aid program pursuant to Sections 54030, 54031, 54032, and 54033 of the Education Code $35,000,000

(6) To the Superintendent of Public Instruction for allocation to school districts to provide for

the establishment of gifted and talented education programs pursuant to Section 32 of this act	$3,000,000
(7) To the State Department of Education for allocation, for purposes of the Educational Technology Local Assistance Program, pursuant to Article 15 (commencing with Section 51870) of Chapter 5 of Part 28 of the Education Code	$13,570,000
(8) To the Superintendent of Public Instruction for allocation for the purposes of Article 4.5 (commencing with Section 44279.2) of Chapter 2 of Part 25 of the Education Code	$1,300,000
(9) To the Superintendent of Public Instruction for purposes of Chapter 1362 of the Statutes of 1988	$20,000,000

(b) The sum of fifty-one million five hundred thousand dollars ($51,500,000) is hereby appropriated to Section B of the State School Fund for the 1988–89 fiscal year, for expenditure without regard to fiscal year. The amount appropriated shall be apportioned in accordance with the following schedule:

(1) To the Chancellor of the California Community Colleges for allocations to community college districts based on the average daily attendance report for the second principal apportionment for fiscal year 1988–89, and the amount a district receives shall not be considered an adjustment to the district's base fiscal year revenue	$45,000,000
(2) To the Chancellor of the California Community Colleges for allocation to community college districts based upon each district's proportionate share in the 1988–89 fiscal year of unfunded average daily attendance which is in excess of the statewide funded average daily attendance for the 1988–89 fiscal year. These funds shall be considered to be a 1989–90 adjustment to each community college district's base fiscal year revenue	$6,500,000

SEC. 37. Prior to the appropriation of any of the funding reserved pursuant to Section 12.31 of the Budget Act of 1989 for any other purpose, the amount of that funding shall be adjusted to accurately reflect the state funding obligation under subdivision (b) of Section 8 of Article XIII B of the California Constitution. Subsequent to that adjustment, that funding shall be appropriated in accordance with, and in the order of, the following priorities:

(a) For purposes of deficiency allocation for kindergarten and

grades 1 to 12, inclusive, pursuant to Section 27 of the Budget Act of 1989.

(b) Up to one hundred ten million dollars ($110,000,000), for purposes of the program to reduce class size pursuant to Senate Bill 666 of the 1989–90 Regular Session.

(c) In support of other legislative measures, where the funding of those measures would qualify under the definition set forth in subdivision (a) of Section 41202 of the Education Code.

SEC. 38. The sum of twenty million dollars ($20,000,000) is hereby appropriated from the General Fund to the Controller for transfer to the Instructional Materials Fund to fund instructional materials in the public schools in kindergarten and grades 1 to 8, inclusive, subject to the condition that the total funding appropriated under this section shall not exceed an amount equal to 40 percent of the amount by which the "State General Fund revenues which may be appropriated pursuant to Article XIII B," as calculated pursuant to this act for the 1988–89 fiscal year for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, exceed the sum of thirty-five billion nine hundred ninety-four million dollars ($35,994,000,000).

SEC. 39. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the minimum public education funding level requirements of the Classroom Instructional Improvement and Accountability Act, as adopted by the voters on November 8, 1988, it is essential that recalculations of public school apportionments be made on or before June 30, 1989. Therefore, it is necessary that this act take immediate effect.

CHAPTER 83

An act to amend Sections 35735, 39619, 39619.2, 41341, 41841.5, 42238.4, 42241.2, 49536, 52616, 54022, 54029, and 60246 of, to add Sections 35294.1, 39619.4, 41851.1, 42238.15, 42251, 52616.1, 52616.3, 54030, 54031, 54032, 54033, and 56712.5 to, to add and repeal Sections 14022.3 and 14022.5 of, to add Article 9 (commencing with Section 54760) to Chapter 9 of Part 29 of, to add and repeal Chapter 2 (commencing with Section 41200) of Part 24 of, the Education Code, to amend Sections 7901, 7906, 7907, 7908, and 13337 of the Government Code, and to add Section 13864 to the Government Code, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1989. Filed with Secretary of State June 30, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14022.3 is added to the Education Code, to read:

14022.3. (a) For purposes of calculating "increases in enrollment" pursuant to paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, the term "enrollment" for school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services means the sum of the following:

(1) Second principal apportionment regular average daily attendance for kindergarten and grades 1 to 12, inclusive, as defined in subdivision (b) of Section 42238.5.

(2) Annual average daily attendance for county offices of education, as calculated pursuant to subdivision (c) of Section 41601.

(b) Any determination or computation of enrollment for purposes of this section shall be based upon actual data from prior years. For the next succeeding year, any determination or computation of enrollment for purposes of this section shall be the estimated enrollment, adjusted as actual data become available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 2. Section 14022.5 is added to the Education Code, to read:

14022.5. (a) For purposes of Section 8.5 of Article XVI of the California Constitution, the term "enrollment" shall have the following meaning for school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services:

(1) In school districts:

(A) The average daily attendance of each school district reported

for the second principal apportionment pursuant to Section 41601.

(B) The annual average daily attendance for adult education programs and classes, as determined under subdivision (d) of Section 41601.

(C) The annual average daily attendance for regional occupational centers and programs, as determined under subdivision (d) of Section 41601.

(D) The average daily attendance of apprentices enrolled in any class and reported pursuant to Section 8150, except that one unit of average daily attendance, for purposes of this paragraph, shall equal 525 hours of apprenticeship instruction in an apprenticeship program operated pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(E) (i) The annual average daily attendance for children enrolled in a state preschool program under the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6), except that one unit of average daily attendance, for purposes of this clause, shall equal 700 hours of child care or preschool services.

(ii) The annual average daily attendance for children enrolled in any other program under the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6), except that one unit of average daily attendance, for purposes of this clause, shall equal 250 days of child care services. For the purposes of this clause, less than four hours per day of child care services shall be defined as one-half day, from four up to six and one-half hours per day shall be defined as three-fourths day, and six and one-half hours or more per day shall be defined as one full day.

(F) The annual average daily attendance of pupils enrolled in summer school, computed pursuant to Section 42239, except that one unit of average daily attendance shall equal 700 hours of summer school instruction in an approved summer school program.

(G) The annual average daily attendance for pupils enrolled in an educational program offered by a county office of education, as determined pursuant to subdivisions (b) and (c) of Section 41601.

(2) In community college districts:

(A) The annual average daily attendance of a community college district computed pursuant to Chapter 4 (commencing with Section 84500) of Part 50, until Section 84750 becomes operative, and thereafter the number of full-time equivalent students as computed pursuant to Section 84750.

(B) The annual average daily attendance for evening community college programs designated as adult schools pursuant to Section 78401, as determined pursuant to Section 78405.

(C) The annual average daily attendance of apprentices enrolled in any class and reported pursuant to Section 8150, except that one unit of average daily attendance, for purposes of this paragraph, shall equal 525 hours of apprenticeship instruction in an apprenticeship program operated pursuant to Chapter 4 (commencing with Section

3070) of Division 3 of the Labor Code.

(3) In state agencies that provide direct elementary and secondary level instructional services:

(A) The annual average daily attendance equivalent for pupils enrolled in the State Schools for the Handicapped pursuant to Part 32 (commencing with Section 59000).

(B) The annual average daily attendance equivalent for pupils attending an educational program administered by the Department of the Youth Authority pursuant to Article 6 (commencing with Section 1120) and Article 10 (commencing with Section 1250) of Part 1 of Division 2 of Chapter 3 of the Welfare and Institutions Code.

(C) The annual average daily attendance equivalent for pupils in the state hospitals operated by the State Department of Developmental Services pursuant to Chapter 8 (commencing with Section 56850) of Part 30.

(b) Any determination or computation of enrollment for purposes of this section shall be based upon actual data from prior years. For the next succeeding year, any determination or computation of enrollment for purposes of this section shall be the estimated enrollment, adjusted as actual data become available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 3. Section 35294.1 is added to the Education Code, to read:

35294.1. (a) The governing board of a school district, on behalf of one or more schools within the district that have developed a school safety plan, may apply to the Superintendent of Public Instruction for a grant to implement school safety plans. A grant shall be awarded only for school safety plans that include the following criteria:

(1) Assessment of the recent incidence of crime committed on the school campus.

(2) Identification of appropriate strategies and programs that will provide or maintain a high level of school safety.

(3) Development of an action plan, in conjunction with local law enforcement agencies, for implementing appropriate safety strategies and programs, and determining the fiscal impact of executing the strategies and programs. The action plan shall identify available resources which will provide for implementation of the plan.

(b) The Superintendent of Public Instruction shall award grants pursuant to this section to school districts for the implementation of individual school safety plans in an amount not to exceed fifteen thousand dollars ($15,000) for each school. No grant shall be made unless the school district makes available, for purposes of implementing the school safety plans, an amount of funds equal to the amount of the grant. Grants should be awarded through a competitive process, based upon criteria including, but not limited

to, (1) the merit of the proposal and (2) the need for imposing school safety, based on school crime rates.

(c) Any school district receiving a grant under this section shall report to the Superintendent of Public Instruction annually for three consecutive years following the receipt of the grant concerning the impact of the implementation of the school safety plan on the incidence of crime on the campus of the school.

SEC. 4. Section 35735 of the Education Code is amended to read:

35735. (a) Any proposal for reorganization of school districts shall include a computation of the revenue limit per unit of average daily attendance for the proposed new district. That provision shall be an inherent part of the proposal and shall not be construed as a separate proposition. That revenue limit per unit of average daily attendance shall be equal to the revenue limit which would be produced by adding (1) for the second fiscal year prior to the fiscal year in which the reorganization becomes effective for all purposes, the sum of the revenue limit of each of the districts proposed to be wholly included and the proportional share of the revenue limit of each district to be partially included in the proposed reorganized district is divided by the total number of units of average daily attendance that would have been in the proposed reorganized district had it been reorganized the second fiscal year prior to the fiscal year in which the reorganization becomes effective for all programs, plus (2) the revenue limits per unit of average daily attendance required to equal the amount of the difference between (A) the average certificated salary and fringe benefits, and (B) the amount of the difference between the average classified salary and fringe benefits of each of the component districts or any portion of a district during the second school year prior to that in which the district becomes effective for all purposes and the highest average certificated salary and fringe benefits and highest average classified salary and fringe benefits of any component district included in the proposal multiplied by the number of employees in each category less the number of employees in each category of the district or districts having the highest average salary and fringe benefits, plus (3) the inflation adjustment specified in Section 42238.1 for the fiscal year immediately preceding the year in which the reorganization becomes effective for all purposes, plus (4) the inflation adjustment specified in Section 42238.1 for the fiscal year in which the reorganization becomes effective for all purposes plus any other base revenue limit increases for which the district would have been eligible had it been reorganized in the second fiscal year prior to the year the reorganization became effective.

In computing the increase in the revenue limit in clause (2), any school district or, a portion of a district to be included in a proposal may be considered in determining the highest average salary or fringe benefits provided that the school district, or a portion of a district, contains at least 25 percent of the total number of certificated and classified employees in the proposed reorganized

district. "Salary and fringe benefits" shall be a single item of compensation and shall not be separately calculated.

The revenue limit per unit of average daily attendance for the reorganized district shall not be greater than the amount set forth in the proposal as approved by the county committee on school district organization or the State Board of Education except that the amount shall be increased pursuant to clauses (3), (4), and (5).

This section shall apply to any transfer of pupils by grade level between elementary and high school districts and, in any case, no transfer of seventh and eighth grade pupils from an elementary district to a high school district, or vice versa, shall result in the receiving district getting a revenue limit apportionment for those pupils which exceeds 105 percent of the statewide average revenue limit for the receiving district's type and size.

(b) Subdivision (a) shall not apply to any unification, consolidation, or other reorganization of school districts occurring pursuant to voter approval at an election held on or before the effective date of the act that added this subdivision, which reorganization shall be governed, instead, by the predecessor to this section as added by Chapter 1192 of the Statutes of 1980.

(c) Where the territorial jurisdiction of any school district was revised pursuant to a unification, consolidation, or other reorganization, occurring on or before July 1, 1989, that resulted in a school district having a larger territorial jurisdiction than the original school district had prior to the reorganization, and a reorganization of school districts occurs on or after the effective date of the act that added this subdivision that results in a school district having a territorial jurisdiction that is substantially the same, as determined by the State Board of Education, as the territorial jurisdiction of that original school district prior to the most recent reorganization occurring on or before July 1, 1989, the revenue limit of the school district resulting from the subsequent reorganization shall be the same, notwithstanding subdivision (a), as the revenue limit that was determined for the original school district prior to the most recent reorganization occurring on or before July 1, 1989.

SEC. 5. Section 39619 of the Education Code is amended to read:

39619. (a) Whenever, in any given fiscal year, a school district has budgeted, exclusive of state matching funds and district funds previously matched pursuant to subdivision (b), in its deferred maintenance fund established pursuant to Section 39618 an amount equal to, or greater than, that amount the district expended from its general fund for major maintenance, repair, or modernization of existing school buildings, as specified in Section 39618, exclusive of categorical aid funds and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account, in either the 1978–79 or 1979–80 fiscal year, adjusted annually to the current fiscal year in conformance with the percentage change in the district revenue limit computed pursuant to Section 42237 or 42238, the Superintendent of Public

Instruction shall so certify to the State Allocation Board.

(b) The State Allocation Board shall apportion, from the State School Deferred Maintenance Fund, to school districts an amount equal to one dollar ($1) for each one dollar ($1) of local funds up to a maximum of ½ percent of the district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4, for the prior fiscal year, exclusive of any amounts budgeted for capital outlay or debt service, to the extent of funds available pursuant to Chapter 24 (commencing with Section 17780) of Part 10.

(c) Notwithstanding subdivision (a), in order to be eligible to receive state aid pursuant to subdivision (b), no district shall be required to budget from local district funds an amount greater than ½ percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

SEC. 6. Section 39619.2 of the Education Code is amended to read:

39619.2. (a) School districts may submit applications to the State Allocation Board for deferred maintenance funding in addition to the amounts specified in Section 39619. In order to be eligible for an additional apportionment, a school district shall do all of the following:

(1) Certify that if an additional apportionment is provided, the district will have matched the additional apportionment amount with an equal amount of district funds that have not been previously used as a match for state aid.

(2) Certify an additional claim of not greater than one-half of 1 percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, excluding any amounts budgeted for capital outlay or debt service, but including adult education funds.

(3) Certify that any additional funds will be used to meet deferred maintenance identified in the district's five-year deferred maintenance plan.

(b) The State Allocation Board shall establish rules and regulations regarding the formulas used to apportion additional funds pursuant to this section.

(c) It is the intent of the Legislature that state funds for deferred maintenance be drawn first from excess bond repayments by school districts, revenues pursuant to subdivision (f) of Section 6217 of the Public Resources Code, and proceeds from existing general

obligation bonds.

SEC. 7. Section 39619.4 is added to the Education Code, to read:

39619.4. Notwithstanding any other provision of law, for the 1988–89 fiscal year, school districts may transfer matching funds to the deferred maintenance fund by September 1, 1989, based on the average determined in subdivision (b) of Section 39619.

SEC. 8. Chapter 2 (commencing with Section 41200) is added to Part 24 of the Education Code, to read:

CHAPTER 2. DETERMINATION OF MINIMUM LEVEL OF EDUCATION FUNDING

41200. (a) The Legislature finds and declares that the California Constitution, as amended by "The Classroom Instructional Improvement and Accountability Act" as adopted by the voters on November 8, 1988, mandates that a specific minimum level of state General Fund revenues be guaranteed and applied for the support of school districts, community college districts, and state agencies that provide direct elementary and secondary level instructional services. The Legislature further finds and declares that, by defining certain terms used in establishing a method of calculation for determining the guaranteed minimum level of funding, Section 14022.3, 14022.5, and this chapter further the purposes of "The Classroom Instructional Improvement and Accountability Act."

(b) It is the intent of the Legislature that the annual Budget Bill, required by Section 12 of Article IV of the California Constitution, include a section that specifies the respective percentages and amounts of General Fund revenues that must be set aside and applied for the support of school districts, community college districts, and the direct elementary and secondary level instructional services of state agencies, as required by subdivision (b) of Section 8 of Article XVI of the California Constitution.

41202. The words and phrases set forth in subdivision (b) of Section 8 of Article XVI of the Constitution of the State of California shall have the following meanings:

(a) "Monies to be applied by the state," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution, means appropriations from the General Fund that are made for allocation to school districts, as defined, or community college districts. An appropriation that is withheld, impounded, or made without provisions for its allocation to school districts or community college districts, shall not be considered to be "monies to be applied by the state."

(b) "State General Fund revenues which may be appropriated pursuant to Article XIII B," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI, means General Fund revenues that are the proceeds of taxes as defined by subdivision (c) of Section 8 of Article XIII B of the California Constitution, including, for the 1986–87 fiscal year only, any revenues that are determined to be in

excess of the appropriations limit established pursuant to Article XIII B for the fiscal year in which they are received. General Fund revenues for a fiscal year to which paragraph (1) is being applied shall include, in that computation, only General Fund revenues for that fiscal year that are the proceeds of taxes, as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, and shall not include prior fiscal year revenues. The amount of the proceeds of taxes shall be computed for any fiscal year in a manner consistent with the manner in which the amount of the proceeds of taxes was computed by the Department of Finance for purposes of the Governor's Budget for the Budget Act of 1986.

(c) "State General Fund revenues appropriated for school districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, regardless of whether those appropriations were made from the General Fund to the Superintendent of Public Instruction, to the Controller, or to any other fund or state agency for the purpose of allocation to school districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(d) "State General Fund revenues appropriated for community college districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(e) "Total allocations to school districts and community college districts from the State General Fund proceeds of taxes appropriated pursuant to Article XIII B," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, and community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Superintendent of Public Instruction, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to

school districts and community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (2) of Section 8 of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(f) "State General Fund revenues appropriated for school districts and community college districts, respectively" and " monies to be applied by the state for the support of school districts and community college districts," as used in Section 8 of Article XVI of the California Constitution, shall include funds appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6 and shall not include any of the following:

(1) Any appropriation that is not made for allocation to a school district, as defined in Section 41302.5, or to a community college district regardless of whether the appropriation is made for any purpose that may be considered to be for the benefit to a school district, as defined in Section 41302.5, or a community college district. This paragraph shall not be construed to exclude any funding appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6.

(2) Any appropriation made to the Teachers' Retirement Fund or to the Public Employees' Retirement Fund except those appropriations for reimbursable state mandates.

(3) Any appropriation made to service any public debt.

(g) "Allocated local proceeds of taxes," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for school districts as defined, those local revenues, except revenues identified pursuant to paragraph (5) of subdivision (h) of Section 42238, that are used to offset state aid for school districts in calculations performed pursuant to Sections 2558, 42238, and 56712.

(h) "Allocated local proceeds of taxes," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for community college districts, those local revenues that are used to offset state aid for community college districts in calculations performed pursuant to Section 84700. In no event shall the revenues or receipts derived from student fees be considered "allocated local proceeds of taxes."

(i) For the purposes of calculating the 4 percent entitlement pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution, "the total amount required pursuant to Section 8(b)" shall mean the State General Fund aid required for schools pursuant to Section 8(b), and shall not include allocated local proceeds of taxes.

41203. Any calculation of the monies to be applied by the state for the support of school districts and community college districts, pursuant to subdivision (b) of Section 8 of Article XVI of the

California Constitution, shall be made as a single, aggregate calculation for the school districts serving kindergarten and grades 1 to 12, inclusive, for the community college districts, and for the direct elementary and secondary level instructional services provided by the State of California.

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), then the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) This section shall become operative July 1, 1990, only if Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

41204. (a) It is the intent of the Legislature, pursuant to "The Classroom Instructional Improvement and Accountability Act," that school districts, as defined in Section 41302.5, and community college districts, as constituted during 1986–87 fiscal year, annually receive a basic minimum portion of the revenues that were deposited to the General Fund in that year.

(b) In recognition of this intent, it is further the intent of the Legislature that both houses and the Governor be guided by the following:

(1) If the revenues of a tax that were deposited in the General Fund in the 1986–87 fiscal year are redirected to any local governmental entity, then the percentages of General Fund revenues required to be applied by the state for the support of school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services shall be recalculated as if those revenues were not deposited in the General

Fund in the 1986–87 fiscal year.

(2) If the allocated local proceeds of taxes, as defined by subdivisions (g) and (h) of Section 41202, received by a school district or community college district during the 1986–87 fiscal year, are redirected to other entities or statutorily or constitutionally reduced or eliminated, the additional General Fund support provided to replace the allocated local proceeds of taxes may not be counted as General Fund revenues required to be applied for the support of school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services pursuant to paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, unless the percentage of General Fund revenues appropriated to school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services in the 1986–87 fiscal year is adjusted to reflect the amount of General Fund support that would have been provided in the 1986–87 fiscal year had the allocated local proceeds of taxes been correspondingly reduced.

(c) No appropriation of funding to be allocated to school districts, as defined in Section 41302.5, or community college districts, for the support of any program or activity of either or both of those entities, that is not an ordinary or historical responsibility of one or both of those entities shall be credited toward the state's funding obligation under subdivision (b) of Section 8 of Article XVI of the California Constitution.

41205. The Legislature hereby finds and declares that the only state agencies that provide direct elementary and secondary level instructional services within the meaning of Section 41302.5 are those state agencies enumerated in Section 8880.5 of the Government Code, or in any successor to that section, not including any agency enumerated in any of subdivisions (a) to (f), inclusive, of that section. The amount of any appropriation made to a state agency for direct elementary and secondary level instruction services shall be determined by applying the definition of those services, as defined in the State School of Accounting Manual, to the expenditures of the agency.

41206. (a) For purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution, all determinations of percentages, amounts, revenues, appropriations, allocations, proceeds of taxes, increases in cost of living, or enrollments shall be based upon the best available estimate until actual data becomes available, and then upon actual data when it is available.

(b) Within nine months following the end of any fiscal year, the Superintendent of Public Instruction and the Director of Finance shall recalculate, as necessary, and jointly certify all actual data pertaining to school districts, as defined, for the prior fiscal year. Any amount of funding required by subdivision (b) of Section 8 of Article XVI of the California Constitution to be appropriated to school districts for that year, less any amounts already appropriated for that

year, shall be set aside by the Controller and, if not appropriated to school districts by the Legislature within 90 days, shall be allocated to school districts by the Controller in proportion to the enrollment in school districts as determined for purposes of Section 8.5 of Article XVI of the California Constitution.

(c) Within nine months following the end of any fiscal year, the Chancellor of the California Community Colleges and the Director of Finance shall recalculate, as necessary, and jointly certify all actual data pertaining to community college districts, as defined, for the prior fiscal year. Any amount of funding required by subdivision (b) of Section 8 of Article XVI of the California Constitution to be appropriated to community college districts for that year, less any amounts already appropriated for that year, shall be set aside by the Controller and, if not appropriated to community college districts by the Legislature within 90 days, shall be allocated to community college districts by the Controller in proportion to the enrollment in community college districts as determined for purposes of Section 8.5 of Article XVI of the California Constitution.

41207. This chapter shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 9. Section 41341 of the Education Code is amended to read:

41341. (a) If, during any fiscal year, there is apportioned to a school district or to any fund from Section A of the State School Fund at least one hundred dollars ($100) more or at least one hundred dollars ($100) less than the amount to which the district or fund was entitled, the Superintendent of Public Instruction, in accordance with regulations that he or she is hereby authorized to adopt, not later than the first succeeding fiscal year from the fiscal year in which the computational error was made, shall withhold from, or add to, the apportionment made during that fiscal year, the amount of the excess or deficiency, as the case may be. Notwithstanding any other provision of this code to the contrary, excesses withheld or deficiencies added by the Superintendent of Public Instruction under this subdivision shall be added to or allowed from any portion of the State School Fund.

(b) If, during any fiscal year, there is apportioned to a community college district or to any fund from Section B of the State School Fund at least one hundred dollars ($100) more or at least one hundred dollars ($100) less than the amount to which the district or fund was entitled, the Chancellor of the California Community Colleges, in accordance with regulations that he or she is hereby authorized to adopt, not later than the first succeeding fiscal year from the fiscal year in which the computational error was made, shall withhold from, or add to, the apportionment made during that fiscal year, the amount of the excess or deficiency, as the case may be. Notwithstanding any other provision of this code to the contrary, excesses withheld or deficiencies added by the Chancellor of the

California Community Colleges under this subdivision shall be added to or allowed from any portion of the State School Fund.

SEC. 10. Section 41841.5 of the Education Code is amended to read:

41841.5. (a) The Superintendent of Public Instruction shall allow to each school district maintaining a secondary school an amount equal to the actual current expense of the district of maintaining adult education classes for prisoners in any county jail, or any county industrial farm or county or joint county road camp for the current fiscal year. The amount so allowed to a district for each unit of average daily attendance in these classes shall in no event exceed the statewide average revenue limit for adults multiplied by 0.8.

Each school district shall receive advanced apportionments as authorized by Sections 41330, 41332, and 41335 on the basis of the cost data report of the district for the preceding fiscal year and each district shall file a preliminary cost data report based upon estimated current expenses.

For purposes of this section, the Superintendent of Public Instruction shall, by rules and regulations, establish minimum standards for the conduct of the adult education classes, including, but not necessarily limited to, attendance requirements and requirements concerning records to be kept and reports to be submitted.

(b) There is hereby appropriated from the General Fund to Section A of the State School Fund the following sums for the following fiscal years for the purposes of subdivision (a):

(1) For the 1980–81 fiscal year	$1,020,100
(2) For the 1981–82 fiscal year and each fiscal year thereafter	$1,113,000

Commencing with the 1982–83 fiscal year, the amounts in paragraph (2) shall be cumulatively increased by 6 percent, unless otherwise provided by law. Commencing with the 1988–89 fiscal year, the amounts in paragraph (2) shall be increased by the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC 11. Section 41851.1 is added to the Education Code, to read:

41851.1. (a) For the 1989–90 fiscal year, from Section A of the State School Fund, the Superintendent of Public Instruction shall apportion to each school district or county superintendent of schools, as appropriate, an amount computed pursuant to this section. School districts and county superintendents of schools that provide transportation services by means of a joint powers agreement, a cooperative pupil transportation program, or a consortium shall receive transportation allowances pursuant to this section.

(b) For the 1989–90 fiscal year, each school district, joint powers agency, cooperative pupil transportation program, or consortium shall receive a transportation apportionment equal to the greater of

the following:

(1) Sixty-five percent of the prior year's approved transportation costs.

(2) The prior year's transportation allowance.

(c) For the 1989–90 fiscal year, each county office of education shall receive a transportation apportionment equal to the greater of the following:

(1) Eighty percent of the prior year's approved transportation costs.

(2) The prior year's transportation allowance.

(d) In the event that funds appropriated for the purposes of this section are not sufficient to fully fund the formula established by that section, the amounts apportioned shall be reduced on a proportionate basis.

SEC. 12. Section 42238.4 of the Education Code is amended to read:

42238.4. (a) For the 1989–90 fiscal year, the county superintendent shall compute an equalization adjustment for each district, except as provided under subdivision (c), so that no district's base revenue limit per unit of average daily attendance is less than the 1988–89 fiscal year statewide average base revenue limit for the appropriate size and type of district listed in subdivision (b) plus the inflation adjustment specified in Section 42238.1 for the current fiscal year for the appropriate type of district. For purposes of this section, both the statewide average base revenue limits and the base revenue limits of each school district shall include any funding received pursuant to Section 54060.5, 54060.6, or 54060.7.

For purposes of this section, the district base revenue limit and the statewide average base revenue limit shall not include any amounts attributable to Section 45023.4, 46200, or 46201.

(b) Subdivision (a) shall apply to the following school districts, which shall be grouped according to size and type as follows:

District	ADA
Elementary	less than 101
High School	less than 301
High School	more than 300
Unified	less than 1,501
Unified	more than 1,500

(c) For the 1989–90 fiscal year, the county superintendent shall compute an equalization adjustment for each elementary school district having an average daily attendance of more than 100 so that no such district's base revenue limit per unit of average daily attendance is less than the 1987–88 fiscal year statewide average base revenue limit for those districts plus the inflation adjustment specified in Section 42238.1 for those districts for the 1988–89 fiscal year and the current fiscal year.

(d) The Superintendent of Public Instruction shall compute a

revenue limit equalization adjustment for each school district's base revenue limit per unit of average daily attendance as follows:

(1) Add the products of the amount computed for each school district by the county superintendent pursuant to subdivision (a) and the average daily attendance used to calculate the district's revenue limit for the current fiscal year.

(2) Divide the amount appropriated for purposes of this section for the current fiscal year by the amount computed pursuant to paragraph (1).

(3) Multiply the amount computed for the school district pursuant to subdivision (a) or (c), as appropriate, by the amount computed pursuant to paragraph (2).

SEC. 13. Section 42238.15 is added to the Education Code, to read:

42238.15. (a) Notwithstanding any other provision of law, and in lieu of any inflation or cost-of-living adjustment otherwise authorized for any of the programs enumerated in subdivision (b), state funding for the programs enumerated in subdivision (b) shall be increased annually by the product of the following:

(1) The sum of 1.0 plus the percentage change determined under subdivision (b) of Section 42238.1.

(2) The sum of 1.0 plus the percentage of increase, from the prior fiscal year to the current fiscal year, in each of the workload factors described in subdivision (b).

(b) The programs for which annual state funding increases are determined under this section, and the factors used to measure workload for each of those programs, are as follows:

(1) Special education programs and services, as measured by the regular second principal apportionment average daily attendance for kindergarten and grades 1 to 12, inclusive.

(2) Child care and development programs, and preschool programs, as measured by the state population of children up to and including four years of age.

(3) Instructional materials for kindergarten and grades 1 to 8, inclusive, as measured by enrollment in kindergarten and grades 1 to 8, inclusive.

(4) Instructional materials for grades 9 to 12, inclusive, as measured by enrollment in those grades.

(5) Regional occupational programs and centers, as measured by enrollment in grades 11 and 12.

(6) School improvement programs in kindergarten and grades 1 to 6, inclusive, as measured by enrollment in kindergarten and grades 1 to 6, inclusive.

(7) School improvement programs in grades 7 to 12, inclusive, as measured by enrollment in those grades.

(8) Economic impact aid, as measured by the number of children aged 5 to 17, inclusive, from families that receive Aid to Families with Dependent Children and the number of pupils of limited English proficiency, as identified pursuant to Section 52163.

(9) Staff development programs, as measured by enrollment in kindergarten and grades 1 to 12, inclusive.

(c) This section shall become operative July 1, 1990, only if Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 14. Section 42241.2 of the Education Code is amended to read:

42241.2. A school district may add, in the computation of the district's revenue limit pursuant to Section 42238 for the current fiscal year, the amount computed in the preceding fiscal year for Meals for Needy Pupils programs (Article 11 (commencing with Section 49550) of Chapter 9 of Part 27) multiplied by the sum of 1 plus the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 15. Section 42251 is added to the Education Code, to read:

42251. (a) For the 1989–90 fiscal year, a school district may increase its revenue limit by the amount calculated pursuant to subdivision (b).

(b) (1) The district shall subtract, from its average daily attendance used for funding in the 1988–89 fiscal year pursuant to Section 42238.5, the amount of average daily attendance used for funding in the 1989–90 fiscal year pursuant to Section 42238.5. If the result is a negative number it shall be deemed to be zero.

(2) (A) Multiply the result obtained pursuant to paragraph (1) by the lesser of the district's 1988–89 fiscal year base revenue limit per unit of average daily attendance or the 1988–89 fiscal year statewide average revenue limit for similar types of districts.

(B) Multiply the product obtained pursuant to subparagraph (A) by 0.25.

(c) A district shall not be entitled to the portion of any adjustment that is attributable to a loss in average daily attendance resulting from a district reorganization plan.

(d) The calculation of reduction of average daily attendance of any school district to determine the district's entitlement to funding pursuant to this section shall not reflect any reduction in average daily attendance resulting from the authorization of district residency for any pupil pursuant to Section 48204.

(e) If the funds made available for purposes of this section are insufficient to fund the amounts calculated pursuant to subdivision (b), the Superintendent of Public Instruction shall reduce the amounts by an equal pro rata percentage.

SEC. 16. Section 49536 of the Education Code is amended to read:

49536. Commencing with the 1985–86 fiscal year, funds allocated pursuant to subdivision (a) of Section 41350 to child nutrition entities for school and child care and development program meals pursuant to this article shall be disbursed on the basis of eleven and thirty-five hundredths of a cent ($0.1135) for each breakfast and eleven and thirty-five hundredths of a cent ($0.1135) for each lunch served.

The State Department of Education shall thereafter, prior to July

1 of each subsequent year, prescribe an adjustment in the state meal contribution rates established pursuant to this section for the forthcoming fiscal year. The adjustments shall reflect the changes in the cost of operating a school breakfast and lunch program and shall be made commencing on July 1 of each year. The adjustment shall be the average of the separate indices of the "Food Away From Home Index" for Los Angeles and San Francisco as prepared by the United States Bureau of Labor Statistics.

In giving effect to the cost-of-living provisions of this section, the Department of Education shall use the same month for computation of the percentage change in the cost of living after July 1, 1975. The same month shall be used annually thereafter. The product of any percentage increase or decrease in the average index and the per meal reimbursement disbursement rate shall be adjusted by the amount of any cost-of-living change currently in effect pursuant to the provisions of this section.

Commencing with the 1988–89 fiscal year, the cost-of-living adjustment shall be equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 17. Section 52616 of the Education Code is amended to read:

52616. The Superintendent of Public Instruction shall determine an adult block entitlement for school districts which maintain education programs for adults. This entitlement shall be paid from appropriations to Section A of the State School Fund as a part of the principal apportionment to school districts.

(a) For the 1983–84 fiscal year, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year calculated pursuant to Provision 1 of Item 6100-156-001 of the Budget Act of 1982 shall be increased by seventy dollars ($70). For the 1984–85 fiscal year to the 1987–88 fiscal year, inclusive, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year shall be increased by an amount equal to 6 percent of the prior year's statewide average adult revenue limit per unit of average daily attendance, provided that no such revenue limit per unit of average daily attendance shall be less than 1.06 times the prior fiscal year's statewide average adult revenue limit per unit of average daily attendance. For the 1988–89 fiscal year and each fiscal year thereafter, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year shall be increased by an amount equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) For the purposes of the block entitlement, the district's average daily attendance shall be the lesser of paragraph (1) or (2):

(1) The 1982–83 adult average daily attendance authorized for funding purposes for the programs specified in Section 41976, as specified in Item 6100-156-001 of the Budget Act of 1982, multiplied by 1.025 in the 1983–84 fiscal year and each fiscal year thereafter.

(2) The actual adult average daily attendance for the programs specified in Section 41976.

(c) The adult block entitlement shall be computed by multiplying the adult revenue limit per unit of average daily attendance from subdivision (a) and the adult average daily attendance allowed in subdivision (b). The adult block entitlement shall be deposited in a separate fund of the district to be known as the "adult education fund." Moneys in an adult education fund shall be expended only for adult education purposes. Moneys received for programs other than adult education shall not be expended for adult education.

(d) If the adult average daily attendance of a school district in any fiscal year is less than the adult average daily attendance utilized to compute the funded district adult education block entitlement for that fiscal year, the district shall receive an apportionment only for the actual average daily attendance generated. Any surpluses accrued as a result of average daily attendance not generated in a district's block entitlement shall be reallocated after the annual apportionment by the Superintendent of Public Instruction to provide services to welfare recipients pursuant to Section 33117.5. Any remaining surplus shall be reallocated to meet unanticipated growth in adult education. The receipt of reallocated funds shall not be used for computational purposes for the district's block entitlement for subsequent fiscal years.

(e) Each school district which conducted adult education programs for substantially handicapped adults in activity centers, work activity centers, sheltered workshops, state hospitals, and other community settings, shall set aside an amount of money from its adult education block entitlement equal to its current fiscal year revenue limit times the average daily attendance generated in these facilities in the 1979–80 fiscal year times 1.02, subject to the following:

(1) The classes and courses offered in activity centers, work activity centers, sheltered workshops, and state hospitals shall be authorized pursuant to subdivision (e) of Section 41976.

(2) A school district shall operate classes in these facilities and shall expend all funds set aside pursuant to this subdivision and shall use all funds exclusively for those classes for substantially handicapped adults.

(3) The conditions imposed by paragraphs (1) and (2) may be waived by the Superintendent of Public Instruction upon certification from the school district that the local demand for the program is less than the required level of service.

SEC. 18. Section 54022 of the Education Code is amended to read:

54022. For entitlements of the 1989–90 fiscal year and each year thereafter, the Superintendent of Public Instruction shall calculate state gross need by multiplying the state index of need by the average excess cost of education for impact aid.

The state index of need shall be: number of children aged 5 to 17 years, inclusive, from families that receive Aid to Families with Dependent Children

The average excess cost of education for impact aid shall be five hundred sixty-five dollars and thirty-six cents ($565.36) in the

1989–90 fiscal year and shall be adjusted annually by the amount of the percentage increase determined under subdivision (b) of Section 42238.1.

SEC. 19. Section 54029 of the Education Code is amended to read:

54029. The State Board of Education may, pursuant to Article 3 (commencing with Section 33050) of Chapter 1 of Part 20, waive any statutory provision or regulation regarding the use of funds apportioned pursuant to this article, provided that the funds are used in the same schools, or in schools in similar need, and the district demonstrates a reasonable case that the waiver will improve pupil services in those schools.

SEC. 20. Section 54030 is added to the Education Code, to read:

54030. For the purposes of this article, economically disadvantaged pupils shall be defined as the sum of the number of children aged 5 to 17, inclusive, from families that receive Aid to Families with Dependent Children and the number of pupils of limited English proficiency, as identified pursuant to Section 52163.

SEC. 21. Section 54031 is added to the Education Code, to read:

54031. Notwithstanding Section 54026, school districts with low concentrations of economically disadvantaged pupils shall be allocated funds pursuant to the following schedule:

Number of economically disadvantaged pupils	Amount
0	None
1-10	$4,000
11-20	$6,000

SEC. 22. Section 54032 is added to the Education Code, to read:

54032. School districts shall not expend economic impact aid funds at school sites that do not have pupils of limited English proficiency, as identified pursuant to Section 52163, or who are determined, pursuant to standards established by the State Department of Education, to be academically low achieving. These funds shall:

(a) Be utilized to serve and to assist those pupils.

(b) Supplement, and not supplant, existing resources at the schoolsite.

SEC. 23. Section 54033 is added to the Education Code, to read:

54033. For the 1989–90 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall compute an equalization adjustment for each district as follows:

(a) The superintendent shall divide the total amount of economic impact aid allocations to the district, as calculated under this article, by the total number of economically disadvantaged pupils, to determine the statewide average economic impact aid allocation per economically disadvantaged pupil.

(b) The superintendent shall adjust the allocations made pursuant to Article 4 (commencing with Section 54040) so that each district's

economic impact aid allocation per economically disadvantaged pupil is no less than the statewide average economic impact aid allocation per economically disadvantaged pupil for the prior fiscal year, as determined pursuant to subdivision (a).

SEC. 24. Article 9 (commencing with Section 54760) is added to Chapter 9 of Part 29 of the Education Code, to read:

Article 9. Supplemental Grants

54760. It is the intent of the Legislature to provide equal educational opportunity for all children in California. To achieve this end, the Legislature hereby establishes supplemental grants to be allocated to school districts that are receiving less than average funding from existing state programs. It is the intent of the Legislature that supplemental grants be funded by appropriations in the Budget Act in each of the two fiscal years following the first fiscal year in which funds for these grants are appropriated.

54761. In the 1989–90, 1990–91, and 1991–92 fiscal years, the Superintendent of Public Instruction shall provide supplemental grants to school districts.

(a) The supplemental grants shall be calculated in the following manner:

(1) For each school district the superintendent shall compute the sum of the following:

(A) The district's total revenue limit for the current fiscal year, including any equalization aid received pursuant to Section 42238.4 of the Education Code, as estimated by the superintendent at the time of the second principal apportionment for the current fiscal year.

(B) State aid received by the district for categorical education programs from the General Fund for the current fiscal year, as specified in clauses (i) and (ii), including funds appropriated for categorical programs by the act that adds this article to the Education Code, as estimated by the superintendent at the time of the second principal apportionment for the current fiscal year.

(i) The categorical education programs referenced in paragraph (B) shall include the following:

(I) High school pupil counseling.

(II) Home-to-school transportation, excluding special education transportation.

(III) School Improvement Program.

(IV) Vocational education pupil organizations.

(V) Specialized secondary schools.

(VI) Foster youth services.

(VII) Opportunity classes and programs.

(VIII) Pupil dropout prevention.

(IX) Economic Impact Aid.

(X) Gifted and talented education.

(XI) Miller-Unruh reading program.

(XII) Intergenerational education.
(XIII) Native American Indian education.
(XIV) Demonstration programs in reading and mathematics.
(XV) Partnership academies.
(XVI) Agricultural vocational education.
(XVII) Environmental education.
(XVIII) Instructional materials for kindergarten and grades 1 to 8, inclusive.
(XIX) Instructional materials for grades 9 to 12, inclusive.
(XX) Mentor teacher program.
(XXI) Beginning teacher support and assessment.
(XXII) Reader services for blind teachers.
(XXIII) Child nutrition.
(XXIV) School/law enforcement partnership.
(XXV) Educational technology program.
(XXVI) Small school district bus replacement.

(ii) The categorical programs in clause (i) shall not include the following:

(I) Special education programs operated pursuant to Part 30 (commencing with Section 56000).

(II) Reimbursement for the costs of court-ordered or voluntary desegregation programs pursuant to Article 2 (commencing with Section 42238) of Chapter 7 of Part 24.

(III) Regional occupational centers and programs operated pursuant to Article 1 (commencing with Section 52300) of Part 28.

(IV) Adult education programs operated pursuant to Chapter 10 (commencing with Section 52500) of Part 28.

(V) Child care and development services and preschool programs operated pursuant to Chapter 2 (commencing with Section 8200) of Part 6.

(2) The superintendent shall divide the sum computed pursuant to paragraph (1) by the second principal apportionment regular average daily attendance of the school district for the current fiscal year.

(3) The superintendent shall compute the statewide weighted average of the amounts computed pursuant to paragraph (2) for each of the sizes and types of school districts identified pursuant to subdivision (b) of Section 42238.4, as that section read on January 1, 1989.

(4) For each school district, from the amount computed in paragraph (3) for the appropriate size and type of school district, the superintendent shall subtract the amount computed in paragraph (2). If the result is less than zero, it shall be deemed to be zero. If the result is greater than one hundred dollars ($100) it shall be deemed to be one hundred dollars ($100).

(5) The superintendent shall multiply the amount computed pursuant to paragraph (4) by the district's second principal apportionment regular average daily attendance for the current fiscal year.

(b) (1) At the time of the first principal apportionment for the current fiscal year, except as provided pursuant to subdivision (c), the superintendent shall compute for each school district an estimate of the amount computed in paragraph (5) of subdivision (a), and shall apportion to each school district 75 percent of this estimate.

(2) At the time of the second principal apportionment for the current fiscal year, except as provided pursuant to subdivision (c), the superintendent shall apportion the balance of the amount computed pursuant to paragraph (5) of subdivision (a).

(c) In the event that the sum of the amounts computed pursuant to paragraph (5) of subdivision (a) exceeds the amount appropriated for purposes of this article, the amounts apportioned pursuant to subdivision (b) shall be reduced on a proportionate basis.

(d) Funds appropriated pursuant to this article shall be part of the base funding of each school district.

(e) All grant funding apportioned under this article to any school district shall be deposited by that district into a restricted account, and shall be expended from that account only for the purpose of funding one or more of the programs enumerated in clause (i) of subparagraph (B) of paragraph (1) of subdivision (a).

SEC. 25. Section 60246 of the Education Code is amended to read:

60246. (a) The Controller shall, during each fiscal year, commencing with the 1983–84 fiscal year, transfer from the General Fund of the state to the State Instructional Materials Fund, an amount of twenty-one dollars and eighteen cents ($21.18) per pupil in the average daily attendance in the public elementary schools during the preceding fiscal year, as certified by the Superintendent of Public Instruction, except that this amount shall be adjusted annually through and including fiscal year 1987-88 in conformance with the Consumer Price Index, all items, of the Bureau of Labor Statistics of the United States Department of Labor, measured for the calendar year next preceding the fiscal year to which it applies. Commencing with the 1988-89 fiscal year, the amount shall be adjusted annually by an amount equal to percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) The amount transferred pursuant to subdivision (a) includes the designated percentage of the cash entitlements to be used to pay for unadopted state materials, tests, and in-service training.

SEC. 26. Section 7901 of the Government Code is amended to read:

7901. For the purposes of Article XIII B of the California Constitution and this division:

(a) "Change in California per capita personal income" for a calendar year means the number resulting when the quotient of the California personal income, as published by the United States Department of Commerce in the Survey of Current Business for the fourth quarter of a calendar year divided by the civilian population of the state on January 1 of the next calendar year, as estimated by the Department of Finance, is divided by the similarly determined

quotient for the next prior year. For example, the change in California per capita personal income for 1979 (to be used for computing the appropriations limit for the 1980–81 fiscal year) would equal the fourth quarter 1979 personal income divided by the January 1, 1980, population, the quotient divided by the fourth quarter 1978 personal income divided by the January 1, 1979, population.

(b) "Change in cost of living" for a calendar year means the number resulting when the United States All Urban Consumer Price Index for the month of March of a calendar year is divided by that index for the month of March of the prior calendar year.

(c) "Change in population" for a local agency for a calendar year means the number resulting when the percentage change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for each city and county and Section 2228 of the Revenue and Taxation Code for each special district, plus 100, is divided by 100. For example, the change in population for 1979 would equal the percentage change in population between January 1, 1980, and January 1, 1979, plus 100, the sum divided by 100. For purposes of the state's appropriations limit, "change in population" means the number resulting when the civilian population of the state on January 1 of the next calendar year, as estimated by the Department of Finance, is divided by the similarly estimated population for January 1 of the calendar year in question. For example, the change in population for 1979 (to be used for computing the appropriations limit for the 1980–81 fiscal year) would equal the January 1, 1980, population divided by the January 1, 1979, population.

(d) "Change in population" for a school district means the change in average daily attendance between the year prior to that for which the appropriations limit is being computed and the year for which the appropriations limit is being computed, using the average daily attendance as defined in Section 7906.

(e) "Change in population" for a community college district means the number resulting when the average daily attendance for the community college district for the current year computed pursuant to Section 84500 of the Education Code is divided by the similarly computed average daily attendance for the previous year.

(f) "Local agency" means a city, county, city and county, special district, authority or other political subdivision of the state, except a school district, community college district, or county superintendent of schools. The term "special district" shall not include any district which (1) existed on January 1, 1978, and did not possess the power to levy a property tax at that time or did not levy or have levied on its behalf, an ad valorem property tax rate on all taxable property in the district on the secured roll in excess of 12½ cents per $100 of assessed value for the 1977–78 fiscal year, or (2) existed on January 1, 1978, or was thereafter created by a vote of the people, and is

totally funded by revenues other than the proceeds of taxes as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution.

If a special district levied, or had levied on its behalf, different property tax rates for the 1977–78 fiscal year depending on which area or zone within the district boundaries property was located, it shall be deemed not to have levied a secured property tax rate in excess of 12½ cents per $100 of assessed value if the total revenue derived from the ad valorem property tax levied by or for the district for 1977–78, divided by the total amount of taxable assessed valuation within the district's boundaries for 1977–78, does not exceed .00125.

(g) "School district" means an elementary, high school, or unified school district.

(h) "Local jurisdiction" means a local agency, school district, community college district, or county superintendent of schools.

(i) As used in Section 2 and subdivision (b) of Section 3 of Article XIII B, "revenues" means all tax revenues and the proceeds to a local jurisdiction or the state received from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues as described in subdivision (i) of Section 8 of Article XIII B. For a local jurisdiction, revenues and appropriations shall also include subventions, as defined in Section 7903, and with respect to the state, revenues and appropriations shall exclude those subventions.

(j) "Proceeds of taxes" shall not include proceeds to a local jurisdiction or the state from regulatory licenses, user charges, or user fees except to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service.

SEC. 27. Section 7906 of the Government Code is amended to read:

7906. For school districts:

(a) "ADA" means a school district's second principal apportionment units of average daily attendance as determined pursuant to Section 42238.5 of the Education Code, including average daily attendance in summer school, regional occupational centers and programs, and apprenticeship programs, and excluding average daily attendance in adult education programs. All other units of average daily attendance including, but not limited to, special day classes for special education pupils, shall be included.

(1) For purposes of this subdivision, the average daily attendance of summer school programs shall be determined pursuant to subparagraph (F) of paragraph (1) of subdivision (a) of Section 14022.5 of the Education Code.

(2) For purposes of this subdivision, the average daily attendance of apprenticeship programs shall be determined pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of Section 14022.5 of the Education Code.

(b) "Foundation program level" means:

(1) For the 1978–79 fiscal year, one thousand two hundred forty-one dollars ($1,241) for elementary districts, one thousand three hundred twenty-two dollars ($1,322) for unified districts, and one thousand four hundred twenty-seven dollars ($1,427) for high school districts.

(2) For the 1979–80 fiscal year through the 1986–87 fiscal year, inclusive, the levels specified in paragraph (1) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(3) For the 1986–87 fiscal year, the levels specified in paragraph (2) increased by one hundred eighty dollars ($180) for elementary districts, one hundred ninety-one dollars ($191) for unified districts, and two hundred seven dollars ($207) for high school districts.

(4) For the 1987–88 fiscal year, the levels specified in paragraph (3) increased by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year.

(5) For the 1988–89 fiscal year and each fiscal year thereafter, the foundation program level shall be the appropriations limit of the school district for the current fiscal year, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year which are from the proceeds of taxes.

(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes which count towards the revenue limit, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234 of the Education Code.

(c) "Proceeds of taxes" shall be deemed to include subventions received from the state only if those subventions are for one of the following two purposes:

(1) Basic aid subventions of $120 per ADA.

(2) Additional apportionments, including special purpose apportionments which, when added to the district's local revenues as defined in Section 42238 of the Education Code, do not exceed the foundation program level for that district. In no case shall subventions received from the state for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979, be considered "proceeds of taxes" for the purposes of this section.

(d) Proceeds of taxes for a fiscal year shall not include any proceeds of taxes within the district's beginning balance or reserve, unless those funds were not appropriated in a prior fiscal year. Funds

that were appropriated to a reserve or other fund referenced in Section 5 of Article XIII B of the California Constitution shall be deemed to be appropriated for the purpose of this paragraph.

(e) The remainder of the state apportionments, including special purpose apportionments and categorical aid subventions shall not be considered proceeds of taxes for a school district.

(f) Amounts paid for court or federal mandates shall be excluded from the computation of appropriations limits and foundation program levels.

(2) Each school district shall report to the Superintendent of Public Instruction and to the Director of Finance at least annually its appropriation limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the school district, and amounts excluded from its appropriations limit, at a time and in a manner prescribed by the Superintendent of Public Instruction and approved by the Director of Finance.

SEC. 28. Section 7907 of the Government Code is amended to read:

7907. For county superintendents of schools:

(a) "Proceeds of taxes" shall be deemed to include subventions received from the state only if those subventions are received for programs operated pursuant to:

(1) Subdivision (e) of Section 2500, Section 2500.1, Section 1982 for pupils specified in subdivision (c) of Section 1981, Section 14057 for programs operated pursuant to Sections 48633 and 48634, Section 1904 and subdivision (a) of Section 1908, Section 52570, or Section 1806 of the Education Code; or

(2) Section 1510, 2504, 2506, 2506.5, or 2509 of the Education Code.

(b) For programs identified in paragraph (1) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost-of-living or change in California per capita personal income applicable to each year and by the percentage change in average daily attendance in those programs for the 1979–80 and 1980–81 fiscal years.

(c) For all other programs operated by the county superintendent of schools, including, but not limited to, the programs identified in paragraph (2) of subdivision (a), an amount shall be calculated equal to the appropriations made for those programs from the proceeds of taxes for the 1978–79 fiscal year, adjusted for the 1979–80 and 1980–81 fiscal years by the lesser of the change in cost-of-living or change in California per capita personal income for each year and by the percentage change in population (as defined by subdivision (d) of Section 7901) for all the districts in the county for the 1979–80 and 1980–81 fiscal years.

(d) The sum of the amounts calculated in subdivisions (b) and (c) shall be the appropriations limit for the county superintendent for

the 1980–81 fiscal year.

(e) For the 1981–82 fiscal year and each year thereafter, the appropriations limit for the prior year shall be adjusted by the appropriate average daily attendance and the lesser of the change in cost-of-living or California per capita personal income.

(f) For the 1981–82 fiscal year through the 1987–88 fiscal year, state apportionments to county superintendents in excess of the amounts in subdivision (d) or (e) shall not be considered proceeds of taxes for a county superintendent of schools.

(g) For the 1988–89 fiscal year and each fiscal year thereafter, the state apportionments to county superintendents which shall be considered "proceeds of taxes" for a county superintendent of schools shall be equal to the lesser of the following:

(1) The total amount of state apportionments received for that fiscal year, excluding amounts paid for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979.

(2) The appropriations limit for the county superintendent for that fiscal year, less the sum of all of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year

(B) The 50 percent of miscellaneous funds received during the current fiscal year which are from the proceeds of taxes.

(C) Locally voted taxes received during the current year, such as parcel taxes or square foot taxes, other than for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current year, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234 of the Education Code.

(E) Local proceeds of taxes received during the current fiscal year which offset state aid.

(3) Amounts paid for court or federal mandates shall be excluded from the appropriations limit.

SEC. 29. Section 7908 of the Government Code is amended to read:

7908. For community college districts:

(a) As used in this section, "ADA" means the annual average daily attendance reported for students attending the community college district during the fiscal year.

(b) "Proceeds of taxes" shall be deemed to include subventions from the state, including special purpose apportionments, but excluding subventions received from the state for reimbursement of state mandates in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 or for reimbursement of court or federal mandates imposed on or after November 6, 1979, only if those subventions, when added to the district's local resources, as defined in items (2) and (3) of

subdivision (a) of Section 84904 of the Education Code, do not exceed:

(1) For the 1978–79 fiscal year, the lesser of the statewide average revenues or the actual revenues received per ADA, as defined in paragraph (1) of subdivision (c) of Section 84700 of the Education Code, multiplied by the ADA in the district for the 1978–79 fiscal year.

(2) For the 1979–80 through the 1987–88 fiscal years, the amount specified in paragraph (1) adjusted by the lesser of the change in cost of living or California per capita personal income for the preceding calendar year and the percentage change in the district's ADA for that fiscal year.

(3) For the 1988–89 fiscal year and each fiscal year thereafter, the appropriations limit of that district, less the sum of the following:

(A) Interest earned on the proceeds of taxes during the current fiscal year.

(B) The 50 percent of miscellaneous funds received during the current fiscal year which are from the proceeds of taxes.

(C) Locally voted taxes received during the current fiscal year, such as parcel taxes or square foot taxes, unless for voter-approved bonded debt.

(D) Any other local proceeds of taxes received during the current fiscal year, other than local taxes which count towards the revenue limit, such as excess bond revenues transferred to a district's general fund pursuant to Section 15234.

(c) Amounts paid for court or federal mandates shall be excluded from the appropriations limit.

(d) Each community college district shall report to the Chancellor of the California Community Colleges and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the district, and amounts excluded from the appropriations limit, at a time and in a manner prescribed by the Chancellors of the California Community Colleges and approved by the Director of Finance.

SEC. 30. Section 13337 of the Government Code is amended to read:

13337. (a) The budget required by the State Constitution to be submitted by the Governor at each regular session of the Legislature shall be submitted within the first 10 days thereof and shall contain a complete plan and itemized statement of all proposed expenditures of the state provided by existing law or recommended by him or her, and all of its institutions, departments, boards, bureaus, commissions, officers, employees, and other agencies, and of all estimated revenues, for the ensuing fiscal year, together with a comparison, as to each item of revenues and expenditures, with the actual revenues and expenditures for the last completed fiscal year, the estimated revenues, and expenditures for the existing fiscal year and the

budgeted revenue and expenditures for the next fiscal year.

(b) The budget shall, in accordance with Chapter 2 (commencing with Section 41200) of Part 24 of the Education Code, include a section that specifies the percentages and amounts of General Fund revenues that must be set aside and applied for the support of school districts, as defined in Section 41302.5, and community college districts, as required by subdivision (b) of Section 8 of Article XVI of the California Constitution.

(c) The Governor, or the Department of Finance acting on his or her behalf, shall make appropriate changes in the budget request to reflect any modification in the organization or functions of state government proposed under Article 7.5 (commencing with Section 12080) of Chapter 1 prior to the passage of the budget.

(d) The Governor's Budget shall be prepared in accordance with guidelines and instructions adopted by the Department of Finance.

(e) In order to provide meaningful comparisons, the Governor's Budget shall be prepared in such a manner that the information presented provides for such comparisons between the fiscal years.

(f) The Department of Finance shall submit to the committee in each house which considers appropriations and to the Joint Legislative Budget Committee copies of budget material submitted to it by agencies pursuant to the provisions of Article 2 (commencing with Section 13320).

(g) The Governor's Budget shall also include a coding structure which indicates for each budget entity the categorization of expenditures and revenues.

(h) Prior to the submission of the Governor's Budget to the Legislature, the Department of Finance may conduct public hearings regarding any portion of any budget.

(i) The Governor, or the Department of Finance acting on his or her behalf, shall, at the same time the Governor's Budget is submitted to the Legislature, submit to the Legislature copies of the material for the purposes of subdivision (j).

(j) The Department of Finance shall develop a fiscal information system which will provide timely and uniform fiscal data needed to formulate and monitor the budget, including, but not limited to, on-line inquiry capacity and the ability to simulate budget expenditures and forecast revenues. This system may include, among other things, data on encumbrances and expenditures by line item, governmental unit, and fund source. The system shall also include expenditures and encumbrances by program, as required. This system shall also include a coding structure which indicates the categorization of expenditures and revenues. This system and the data shall be available to both the legislative and executive branches. The system may contain separate programs accessible by only one branch, designed to provide for distinct application of the data, but the basic system data shall be available on an equal basis to both the legislative and executive branches of government.

SEC. 31. Section 13864 is added to the Penal Code, to read:

13864. There is hereby created in the Office of Criminal Justice Planning the Comprehensive Alcohol and Drug Prevention Education Program, to supplement the Suppression of Drug Abuse in Schools Program in public elementary schools in grades 4 to 6, inclusive. Notwithstanding Section 13861 or any other provision in this code, all Comprehensive Alcohol and Drug Prevention Education Program funds made available to the Office of Criminal Justice Planning in accordance with the Classroom Instructional Improvement and Accountability Act shall be administered and disbursed to county superintendents of schools in this state by the Executive Director of the Office of Criminal Justice Planning. All applications for that funding shall be viewed an evaluated by the Office of Criminal Justice Planning, in consultation with the Department of Alcohol and Drug Programs and the State Department of Education.

(a) The executive director is authorized to allocate and award funds to county department superintendents of schools for allocation to individual school districts or to a consortium of two or more school districts. Applications funded under this section shall comply with the criteria, policies, and procedures established under subdivision (b) of this section.

(b) As a condition of eligibility for the funding described in this section, the school district or consortium of school districts shall have entered into an agreement with a local law enforcement agency to jointly implement a comprehensive alcohol and drug abuse prevention, intervention, and suppression program developed by the Office of Criminal Justice Planning, in consultation with the Department of Alcohol and Drug Programs and the State Department of Education, containing all of the following components:

(1) A standardized age-appropriate curriculum designed for pupils in grades 4 to 6, inclusive, specifically tailored and sensitive to the socioeconomic and ethnic characteristics of the target pupil population. Although new curricula shall not be required to be developed, existing curricula may be modified and adapted to meet local needs. The elements of the standardized comprehensive alcohol and drug prevention education program curriculum shall be defined and approved by the Governor's Policy Council on Drug and Alcohol Abuse, as established by Executive Order # D-70-80.

(2) A planning process that shall include both assessment of the school district's characteristics, resources and the extent of problems related to juvenile drug abuse, and input from local law enforcement agencies.

(3) A school district governing board policy that provides for a coordinated intervention system that, at a minimum, includes procedures for identification, intervention, and referral of at-risk alcohol- and drug-involved youth, and identifies the roles and responsibilities of law enforcement, school personnel, parents, and pupils.

(4) Early intervention activities that include, but are not limited to, the identification of pupils who are high risk or have chronic drug abuse problems, assessment, and referral for appropriate services, including ongoing support services.

(5) Parent education programs to initiate and maintain parental involvement, with an emphasis for parents of at-risk pupils.

(6) Staff and in-service training programs, including both indepth training for the core team involved in providing program services and general awareness training for all school faculty and administrative, credentialed, and noncredentialed school personnel.

(7) In-service training programs for local law enforcement officers.

(8) School, law enforcement, and community involvement to ensure coordination of program services.

(c) The application of the county superintendent of schools shall be submitted to the Office of Criminal Justice Planning. Funds made available to the Office of Criminal Justice Planning for allocation under this section are intended to enhance, but shall not supplant, local funds that would, in the absence of the Comprehensive Alcohol and Drug Prevention Education Program, be made available to prevent, intervene in, or suppress drug abuse among school-age children. For districts that are already implementing a comprehensive drug abuse prevention program for pupils in grades 4 to 6, inclusive, the county superintendent shall propose the use of the funds for drug prevention activities in school grades other than 4 to 6, inclusive, compatible with the program components of this section. The expenditure of funds for that an alternative purpose shall be approved by the executive director.

(1) Unless otherwise authorized by the Office of Criminal Justice Planning, each county superintendent of schools shall be the fiscal agent for any Comprehensive Alcohol and Drug Prevention Education program award, and shall be responsible for ensuring that each school district within that county receives the allocation prescribed by the Office of Criminal Justice Planning. Each county superintendent shall develop a countywide plan that complies with program guidelines and procedures established by the Office of Criminal Justice Planning pursuant to subdivision (d). A maximum of 5 percent of the county's allocation may be used for administrative costs associated with the project.

(2) Each county superintendent of schools shall establish and chair a local coordinating committee to assist the superintendent in developing and implementing a countywide implementation plan. This committee shall include the county drug administrator, law enforcement executives, school district governing board members and adminstrators, school faculty, parents, and drug prevention and intervention program executives selected by the superintendent and approved by the county board of supervisors.

(d) The Executive Director of the Office of Criminal Justice Planning, in consultation with the Department of Alcohol Drug

Programs and the State Department of Education, shall prepare and issue guidelines and procedures for the Comprehensive Alcohol and Drug Prevention Education Program consistent with this section.

(e) The Comprehensive Alcohol and Drug Prevention Education Program guidelines shall set forth the terms and conditions upon which the Office of Criminal Justice Planning is prepared to award grants of funds pursuant to this section. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(f) Funds awarded under the Comprehensive Alcohol and Drug Prevention Education Program shall not be subject to Section 10318 of the Public Contracts Code.

(g) Commencing January 1, 1991, or six months after a full year of program operation, whichever occurs later, the executive director shall prepare and submit an annual report to the Legislature describing the operation of the program and the results obtained from the Comprehensive Alcohol and Drug Prevention Education Program receiving funds under this section.

(h) Funds available pursuant to Item 8100-001-001 of the Budget Act of 1989, or the successor provision of the appropriate Budget Act, shall be allocated to implement this section.

SEC. 32. Notwithstanding any other provision of law, any school district not receiving funding in the 1988–89 fiscal year for gifted and talented education programs may apply to the Superintendent of Public Instruction for funding for a program for gifted and talented education, commencing in the 1989–90 fiscal year, which funding shall be apportioned pursuant to the funding formula that applied, as of that date, for a district's first year of funding for that purpose.

SEC. 33. If a school district has computed its appropriations limit using a method that differs from the method specified in Sections 7901 and 7906 of the Government Code, it shall compute its 1989–90 appropriations limit as if it were using this method for all years, beginning in 1978–79.

SEC. 34. Notwithstanding Section 42238.1 of the Education Code, the amount calculated pursuant to subdivision (b) of Section 42238.1 of the Education Code for the 1989–90 fiscal year shall be deemed to be 4.64 percent.

SEC. 35. Notwithstanding any other provision of law, no provision of this act shall be construed to require the allocation of funds to school districts, as defined in Section 41302.5 of the Education Code, or community college districts, in excess of the amount require by subdivision (b) of Section 8 of Article XVI of the California Constitution to be applied, in the aggregate, to the support of those entities.

SEC. 36. (a) The sum of three hundred seventy-nine million five hundred eleven thousand dollars ($379,511,000) is hereby appropriated from the General Fund to Section A of the State School Fund for the 1989–90 fiscal year. The amount appropriated in this subdivision shall be apportioned in accordance with the following

schedule:

(1) To the Superintendent of Public Instruction for allocation to school districts to provide for base revenue limit equalization pursuant to Section 42238.4 of the Education Code $76,000,000

(2) To the Superintendent of Public Instruction for allocation for purposes of special education program growth pursuant to Section 56728.6 of the Education Code, in augmentation of Item 6110-161-001 of Section 2.00 of the Budget Act of 1989 ..... $10,000,000

(3) To the Superintendent of Public Instruction for allocation to school districts for the purposes of Section 41851.1 of the Education Code $10,000,000

(4) To the Superintendent of Public Instruction for allocation to eligible school districts for purposes of Section 42251 of the Education Code in augmentation of Item 6110-101-001 of Section 2.00 of the Budget Act of 1989 ..... $6,000,000

(5) To the Superintendent of Public Instruction for allocation for the purposes of Article 9 (commencing with Section 54760) of Chapter 9 of Part 29 of the Education Code $180,000,000

(6) To the State Department of Education $1,011,000
For allocation as follows:

(A) To existing Indian education centers as a cost-of-living adjustment to the actual revenue limits received in the 1983–84 to 1988–89 fiscal years, inclusive $120,000

(B) For each of six existing centers that presently do not provide transportation services receiving five thousand dollars ($5,000) each for startup costs for transportation $30,000

(C) To establish 10 new Indian education centers at current funding levels $861,000
in the following areas:

(1) Fresno, Madera, and Kings Counties.
(2) Siskiyou, Shasta, and Modoc Counties.
(3) Butte County.
(4) Del Norte County.
(5) Imperial County.
(6) Tulare County.
(7) Alameda County and the City

and County of San Francisco.
(8) Los Angeles County.
(9) Mendocino and Sonoma Counties.
(10) Amador, El Dorado, and Alpine Counties.

The State Department of Education shall allocate these funds on a competitive bid basis, and shall ensure that funds allocated to the centers reflect the relative funding needs of each center.

(7) To the Superintendent of Public Instruction for allocation for purposes of the Interagency School Safety Demonstration Act of 1985 pursuant to Chapter 2.5 (commencing with Section 32260) of Part 19 of the Education Code $500,000

(8) To the Superintendent of Public Instruction for allocation to school districts and county offices of education based on an equal amount per unit of average daily attendance. The amount a district receives under this paragraph shall not be considered an adjustment to the district's base revenue limit..... $93,000,000

The disbursement of these funds shall be included as part of the apportionments to which a school district or county office of education is allowed under Article 3 (commencing with Section 41330) of Chapter 3 of Part 24 of the Education Code, and shall be allocated in the advance apportionment and the first principal apportionment based upon available estimates of average daily attendance.

(9) To the State Department of Education, in augmentation of the allocations made pursuant to Provisions (5) and (6) of Item 6110-120-001 of Section 2.00 of the Budget Act of 1989..... $3,000,000

(b) The sum of eighty-four million dollars ($84,000,000) is hereby appropriated from the General Fund to Section B of the State School Fund for the 1989–90 fiscal year. The amount appropriated in this subdivision shall be apportioned in accordance with the following schedule:

(1) To the Chancellor of the California Community Colleges for allocation to local community college districts to begin implementation of Phase I of transitional program improvements pursuant to Section 84755 of the Education Code and Section 70 of Chapter 973 of the Statutes of 1988 ..... $70,000,000

(2) To the Board of Governors of the California Community Colleges, for purposes of program 20.10.070

(matriculation), in augmentation of Item 6870-101-001 of Section 2.00 of the Budget Act of 1989 ..... $14,000,000

SEC. 37. The sum of sixteen million seven hundred thousand dollars ($16,700,000) is hereby appropriated to the Office of Criminal Justice Planning for the purposes of Section 13864 of the Penal Code.

SEC. 38. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the minimum public education funding level requirements of the Classroom Instructional Improvement and Accountability Act, as adopted by the voters on November 8, 1988, it is essential that recalculations of public school apportionments be made on or before June 30, 1989. Therefore, it is necessary that this act take immediate effect.

CHAPTER 84

An act to amend Section 31483 of the Water Code, relating to county water districts, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 31483 of the Water Code is amended to read:

31483. (a) Notwithstanding any other provision of this division, the Contra Costa Water District may from time to time issue bonds in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code) for the purpose of financing the acquisition of land and land rights and the construction, improvement, or acquisition of any facilities necessary or convenient for the storage, transmission, distribution, or treatment of water for beneficial use, except that the provisions of Sections 54380 to 54388, inclusive, of the Government Code shall not apply to the issuance and sale of bonds pursuant to this section.

(b) The board shall not proceed under this section until it has submitted to the qualified voters of the district at a special election called by a resolution of the board a proposition as to whether the district may authorize and sell revenue bonds under this section. The proposition shall set forth generally the proposed facilities to be financed and the costs thereof. If a majority of the voters of the district voting on the proposition at the election vote in favor of the

proposition, the board may proceed to issue and sell revenue bonds as provided in this section. If the proposition fails to carry at the election, the proposition shall not again be voted upon until at least six months have elapsed since the date of the last election at which the proposition was submitted.

(c) The resolution calling the election shall fix the date on which the election is to be held, the proposition to be submitted at the election, the manner of holding the election and of voting for or against the proposition, and shall state that in all other particulars the election shall be held and the votes canvassed as provided by law for the holding of elections within the district. The election may be held separately or may be consolidated with any other election authorized by law at which the voters of the district may vote.

(d) Bonds issued pursuant to this section may be sold at one or more private or public sales as the board of directors of the Contra Costa Water District shall determine.

(e) This section shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1997, deletes or extends that date.

SEC. 2. (a) The Legislature hereby finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique water quality problems within the Contra Costa Water District which are not common to other districts organized pursuant to the County Water District Law.

(b) The source of the district's water supply is the Sacramento-San Joaquin Delta, the quality of which varies over a wide range. Reservoirs and pumps, pipelines, and appurtenant facilities are necessary to enable the district to store large quantities of good quality water when it is available for later use during periods when water in the delta is unsuitable for municipal and industrial use. These facilities may be capable of benefiting other areas adjacent to the district. Vast amounts of capital will be needed from time to time to finance the facilities.

(c) This act is necessary, therefore, to finance efficiently and fairly vital water facilities and to allocate the costs thereof equitably among the various areas and regions benefited thereby.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Contra Costa Water District may at the earliest possible date sell revenue bonds for the Los Vaqueros Project as authorized by the voters of the district on November 8, 1988, it is necessary that this act take effect immediately.

CHAPTER 85

An act to amend Sections 225p and 226.5 of, and to add and repeal Section 225q of, the Civil Code, relating to adoption, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 5, 1989 Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 225p of the Civil Code is amended to read:

225p. Whenever a petition is filed for the adoption of a child who has been placed for adoption by a licensed county adoption agency or the State Department of Social Services, the county adoption agency or the State Department of Social Services may, at the time of filing a favorable report in the superior court, require the persons petitioning to become adoptive parents to pay to the county agency, as agent of the state, or to the State Department of Social Services, a fee of five hundred dollars ($500). The county adoption agency or the State Department of Social Services may defer, waive, or reduce the fee when its payment would cause economic hardship to the adoptive parents detrimental to the welfare of the adopted child, when the child has been in the foster care of the adoptive parents for at least one year, or if necessary for the placement of a special needs child. A "special needs" child is a child who because of his or her age, ethnic background, race, color, language, or physical, mental, emotional, or medical handicaps has become difficult to place in an adoptive home.

SEC. 2. Section 225q is added to the Civil Code, to read:

225q. (a) Except as otherwise provided in this section, whenever a petition is filed for the adoption of a child who has not been placed for adoption by a licensed adoption agency or the State Department of Social Services, the petitioner or petitioners shall pay a fee of five hundred dollars ($500) to the county adoption agency or the State Department of Social Services prior to the filing of a favorable report in the superior court by the county adoption agency or the State Department of Social Services. The county adoption agency or the State Department of Social Services may defer, waive, or reduce the fee when in its judgment the payment would cause economic hardship to the adoptive parents and would be detrimental to the welfare of the adopted child. The fee shall be waived if the consent of any party from whom consent is required is signed in the presence of the court pursuant to subdivision (b) of Section 226.5.

(b) Revenues produced by fees collected pursuant to subdivision (a) by the State Department of Social Services shall be used, when appropriated by the Legislature, to fund only the state programs for the adoption of children who have not been placed by a licensed adoption agency or the State Department of Social Services.

Revenues produced by fees collected pursuant to subdivision (a) by the county adoption agency shall be used by the county to fund the county program for adoption of children who have not been placed by a licensed adoption agency or the State Department of Social Services. Revenues produced by fees collected by the State Department of Social Services or counties pursuant to subdivision (a) shall not be used to supplant current funding for the adoptions program.

(c) The State Department of Social Services shall determine the impact of the fee required under this section on the adoptions of children who have not been placed for adoption by the State Department of Social Services or a licensed adoption agency, including staffing, the time required to complete investigations and court reports, and the number of fee waivers or reduction requests made and granted or denied. The State Department of Social Services shall report its findings to the Legislature on or before January 1, 1992.

(d) This section applies only to petitions filed, on and after the effective date of the act enacting this section, for the adoption of a child who has not been placed for adoption by the State Department of Social Services or a licensed adoption agency, and does not apply to adoptions by a stepparent where one natural parent retains custody and control of the child.

(e) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 3. Section 226.5 of the Civil Code is amended to read:

226.5. (a) The State Department of Social Services or licensed county adoption agency shall interview the petitioners and all persons from whom consent is required and whose addresses are known as soon as possible and in the case of residents of California within 45 working days, excluding legal holidays, after the filing of the adoption petition. In order to facilitate these interviews, at the same time the petition is filed, the petitioner shall file with the district office of the State Department of Social Services or the licensed county adoption agency responsible for the investigation of the adoption, a copy of the filed petition together with the names, addresses, and phone numbers of all parties to be interviewed, if known.

(b) With respect to petitions for which a fee is charged or waived under Section 225q, if the State Department of Social Services or licensed county adoption agency fails without good cause to conduct the interviews of the petitioners and all persons from whom consent is required as specified in subdivision (a) within the period of time specified in subdivision (a), the petitioners, upon giving 10 days' written notice to the State Department of Social Services or the licensed county adoption agency responsible for the investigation of the adoption, may request the superior court in which the adoption petition has been filed, or the superior court in the county in which

the birth parent resides, to permit the signing of the consent in the presence of the court by any party whose consent is required. The consent and statement of understanding shall be obtained on forms prescribed by the State Department of Social Services. Consent provided under this subdivision shall be in lieu of the otherwise applicable provisions of subdivisions (a) and (c) of Section 226.1, but shall have the same effect.

For purposes of this section, "good cause" includes, but is not limited to, the following:

(1) An inability to contact or locate any of the parties who are required to be interviewed pursuant to subdivision (a).

(2) Failure of the petitioner to provide the district office of the State Department of Social Services or the licensed county adoption agency with a copy of the filed petition and the names, addresses, and telephone numbers of all parties to be interviewed, within 10 working days of the date the petition is filed with the court.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 5. Sections 1 to 3, inclusive, of this act shall become operative on September 1, 1989.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to increase the staffing at public adoption agencies to enable adoption workers to initiate adoption home studies in a timely manner in order to protect children, to eliminate an unstable situation for adoptive children and parents, and to prevent unnecessary inconvenience and emotional trauma to adoptive and birth parents, it is necessary for this act to take effect immediately.

CHAPTER 86

An act to amend Sections 830 and 10850.1 of the Welfare and Institutions Code, relating to abuse.

[Approved by Governor July 5, 1989 Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 830 of the Welfare and Institutions Code is amended to read:

830. Notwithstanding any other provision of law, members of a multidisciplinary personnel team engaged in the prevention, identification, and treatment of child abuse may disclose and exchange information and writings to and with one another relating to any incidents of child abuse that may also be a part of a juvenile court record or otherwise designated as confidential under state law if the member of the team having that information or writing reasonably believes it is generally relevant to the prevention, identification, or treatment of child abuse. All discussions relative to the disclosure or exchange of any such information or writings during team meetings are confidential and, notwithstanding any other provision of law, testimony concerning any such discussion is not admissible in any criminal, civil, or juvenile court proceeding.

As used in this section, "child abuse" has the same meaning as defined in Section 18951.

As used in this section, "multidisciplinary personnel team" means any team of three or more persons, as specified in Section 18951, the members of which are trained in the prevention, identification, and treatment of child abuse and are qualified to provide a broad range of services related to child abuse.

SEC. 2. Section 10850.1 of the Welfare and Institutions Code is amended to read:

10850.1. Notwithstanding any other provision of law, for purposes of Section 10850, the activities of a multidisciplinary personnel team engaged in the prevention, identification, and treatment of child abuse or the abuse of elder or dependent persons are activities performed in the administration of public social services, and a member of the team may disclose and exchange any information or writing that also is kept or maintained in connection with any program of public social services or otherwise designated as confidential under state law which he or she reasonably believes is relevant to the prevention, identification, or treatment of child abuse or the abuse of elder or dependent persons to other members of the team. All discussions relative to the disclosure or exchange of any such information or writing during team meetings are confidential and, notwithstanding any other provision of law, testimony concerning any such discussion is not admissible in any criminal,

civil, or juvenile court proceeding.

As used in this section, "child abuse" has the same meaning as defined in Section 18951. As used in this section, "abuse of elder or dependent persons" has the meaning given in Section 15610.

As used in this section, "multidisciplinary personnel team" means any team of three or more persons, as specified in Section 15715 or 18951, the members of which are trained in the prevention, identification, and treatment of child abuse or the abuse of elder or dependent persons and are qualified to provide a broad range of services related to child abuse or the abuse of elder or dependent persons.

CHAPTER 87

An act to amend Section 25235 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 5, 1989. Filed with Secretary of State July 5, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25235 of the Business and Professions Code is amended to read:

25235. It is unlawful for any person to sell to any on- or off-sale licensee or to deliver to the premises of any on- or off-sale licensee, or for any on- or off-sale licensee to sell or to have upon his or her licensed premises, wine packaged or bottled in any pocket flask container of less than 750 milliliters, the face of which is substantially rectangular and the minimum thickness of which is less than two-thirds of its maximum width, the measurements to be made on the cross-sectional axes, excluding the neck portion of the container. This section does not apply to the possession of wine in such containers on the premises of a licensed wine grower or at the branch office or warehouse or United States bonded storeroom of the wine grower located away from his place of production or manufacture.

CHAPTER 88

An act to amend Section 19841 of the Government Code, relating to state employees.

[Approved by Governor July 5, 1989. Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19841 of the Government Code is amended to read:

19841. (a) Notwithstanding Section 11030, whenever a state officer or employee is required by the appointing power because of a change in assignment, promotion, or other reason related to his or her duties to change his or her place of residence, the officer, agent, or employee shall receive his or her actual and necessary moving, traveling, lodging, and meal expenses incurred by him or her both before and after and by reason of the change of residence. The maximum allowances for these expenses shall be as follows: the costs of packing, transporting, and unpacking 11,000 pounds of household effects, traveling, lodging, and meal expenses for 60 days while locating a permanent residence, storage of household effects for 60 days, and additional miscellaneous allowances not in excess of two hundred dollars ($200). The maximum allowances may be exceeded where the director determines that the change of residence will result in unusual and unavoidable hardship for the officer or employee, and in those cases the director shall determine the maximum allowances to be received by the officer or employee.

(b) If a change of residence reasonably requires the sale of residence or the settlement of an unexpired lease, the officer or employee may be reimbursed for any of the following expenses:

(1) The settlement of the unexpired lease to a maximum of one year. Upon the date of surrender of the premises by the employee who is the lessee, the rights and obligations of the parties to the lease shall be as determined by Section 1951.2 of the Civil Code.

The state shall be absolved of responsibility for an unexpired lease if the department determines the employee knew or reasonably should have known that a transfer involving physical move was imminent before entering into the lease agreement.

(2) In the event of residence sale, reimbursement for brokerage and other related selling fees or charges, as determined by regulations of the department, customarily charged for like services in the locality where the residence is located.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the

expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

CHAPTER 89

An act to add Section 22438 to the Water Code, relating to irrigation districts.

[Approved by Governor July 5, 1989 Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22438 is added to the Water Code, to read:

22438. Whenever any district is the owner of an easement for an open canal for the transportation of water across lands not owned by it, other than an easement evidenced by a written grant or judgment providing a legal description of the easement, the district shall have a secondary easement on each side of the open canal for the maintenance, repair, cleaning, operation, and control of the open canal and such other use thereof as may reasonably be required by the district in exercising those rights and in the maintenance, repair, cleaning, and operation of that easement and open canal with equipment owned by or available to the district for that use at the time the rights are exercised. The duration of the secondary easement shall be for so long as the district, or its successors or assigns, continues to own the open canal easement regardless of what use has or has not been made of the secondary easement. The owner of the land upon which a secondary easement is located, or any lessee of the land, shall have the right to use the surface of the land upon which the secondary easement is located for his or her own purposes to the extent that use does not unreasonably interfere with the district's ownership or use of the secondary easement, or the open canal easement. Any encroachment or obstruction placed or permitted upon the secondary easement by the owner of the land or any lessee of the land, which unreasonably interferes with the secondary easement or the open canal easement, may be removed by the district at the owner's or lessee's expense, or by legal action filed by the district. This section shall not be construed to limit the right of a district or of any person to acquire any easement by prescription or condemnation or to enter into a written agreement concerning an easement or secondary easement upon such terms as are agreed upon by the parties.

CHAPTER 90

An act to amend Sections 102, 103, 213, 554, and 560 of the Military and Veterans Code, relating to the state military forces.

[Approved by Governor July 5, 1989 Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 102 of the Military and Veterans Code is amended to read:

102. The Uniform Code of Military Justice (Chapter 47 (commencing with Section 801) of Title 10 of the United States Code) and the rules and regulations adopted thereunder, together with the Manual for Courts-Martial, United States, 1984 (Executive Order 12473 of April 13, 1984, as amended), are hereby adopted as a part of this code and shall govern and be applicable, except as otherwise provided in this code or in regulations adopted by the Adjutant General, to the active militia, including the California National Guard.

SEC. 2. Section 103 of the Military and Veterans Code is amended to read:

103. Whenever reference is made in the Uniform Code of Military Justice or the Manual for Courts-Martial, United States, to military service, the Army of the United States, the United States Air Force, or the United States Navy, that reference includes the military and naval service of this state.

SEC. 3. Section 213 of the Military and Veterans Code is amended to read:

213. Members of the California National Guard who have reverted from federal control to state control thereby become members of the State Military Reserve and are subject to Chapter 3 (commencing with Section 550) of Part 2 of this division for the unexpired period of their enlistment or appointment, unless upon reversion the members are assigned to active units of the California National Guard which have not been called or ordered into federal service.

SEC. 4. Section 554 of the Military and Veterans Code is amended to read:

554. (a) For the use of the State Military Reserve, the Governor may submit requisitions to the United States Secretary of Defense for any arms and equipment in the possession of and excess to or not required by the Department of the Army or alloted or available to the State Military Reserve. The Governor may provide arms and equipment to the State Military Reserve which are not furnished by the Department of the Army and are required in the defense of the state. The Governor may make available to the State Military Reserve armories and other state premises, property, supplies, and

equipment as may be available.

(b) The members of the State Military Reserve may be male or female and are members of the state militia for purposes of this code.

(c) All unexpended balances appropriated for the use of the California National Guard or the Adjutant General and not required by the California National Guard or the Adjutant General may be expended by the Adjutant General for the use and benefit of the State Military Reserve and its members. Section 255 does not apply to the State Military Reserve.

SEC. 5. Section 560 of the Military and Veterans Code is amended to read:

560. (a) The Uniform Code of Military Justice (Chapter 47 (commencing with Section 801) of Title 10 of the United States Code) and the rules and regulations adopted thereunder, together with the Manual for Courts-Martial, United States, 1984 (Executive Order 12473 of April 13, 1984, as amended), are hereby adopted as part of this code and shall be applicable to and govern the State Military Reserve.

(b) No officer or enlisted person of the State Military Reserve may be arrested on any warrant, except for treason or a felony, while going to, remaining at, or returning from a place he or she is ordered to attend for military duty. Every officer and enlisted person of the State Military Reserve is, during his or her service, exempt from service upon any posse comitatus and from jury duty.

CHAPTER 91

An act to add Section 31520.4 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor July 5, 1989. Filed with Secretary of State July 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 31520.4 is added to the Government Code, to read:

31520.4. In any county with a board of retirement composed of nine members pursuant to Section 31520.1, if the second, third, seventh, or alternate member of the board is injured or killed while performing his or her duties as a member of the board, that member shall be deemed to have been acting in the course and scope of his or her duties as an employee of the county or district employing the member, for the limited purpose of determining eligibility for workers' compensation benefits or disability or death benefits from the retirement system.

This section shall not be operative in any county until the board of supervisors, by resolution adopted by a majority vote, makes this

section operative in that county.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 92

An act to amend Sections 14022.5, 35294.1, 41202, 41841.5, 42238.15, 42239.5, 42241.2, 49536, 52616, and 60246 of, and to repeal and add Section 41204 of, the Education Code, to amend Section 13864 of the Penal Code, and to amend Sections 32 and 36 of Assembly Bill No. 198 of the 1989–90 Regular Session, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 5, 1989 Filed with Secretary of State July 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14022.5 of the Education Code, as added by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

14022.5. (a) For purposes of Section 8.5 of Article XVI of the California Constitution, the term "enrollment" shall have the following meaning for school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services:

(1) In school districts:

(A) The average daily attendance of each school district reported for the second principal apportionment pursuant to Section 41601.

(B) The annual average daily attendance for adult education programs and classes, as determined under subdivision (d) of Section 41601.

(C) The annual average daily attendance for regional occupational centers and programs, as determined under subdivision (d) of Section 41601.

(D) The average daily attendance of apprentices enrolled in any class and reported pursuant to Section 8150, except that one unit of average daily attendance, for purposes of this paragraph, shall equal

525 hours of apprenticeship instruction in an apprenticeship program operated pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(E) (i) The annual average daily attendance for children enrolled in a state preschool program under the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6), except that one unit of average daily attendance, for purposes of this clause, shall equal 700 hours of preschool services.

(ii) The annual average daily attendance for children enrolled in any other program under the Child Care and Development Services Act (Chapter 2 (commencing with Section 8200) of Part 6), except that one unit of average daily attendance, for purposes of this clause, shall equal 250 days of services. For the purposes of this clause, less than four hours per day of services shall be defined as one-half day, from four up to six and one-half hours per day shall be defined as three-fourths day, and six and one-half hours or more per day shall be defined as one full day.

(F) The annual average daily attendance of pupils enrolled in summer school, computed pursuant to Section 42239, except that one unit of average daily attendance shall equal 700 hours of summer school instruction in an approved summer school program.

(G) The annual average daily attendance for pupils enrolled in an educational program offered by a county office of education, as determined pursuant to subdivisions (b) and (c) of Section 41601.

(2) In community college districts:

(A) The annual average daily attendance of a community college district computed pursuant to Chapter 4 (commencing with Section 84500) of Part 50, until Section 84750 becomes operative, and thereafter the number of full-time equivalent students as computed pursuant to Section 84750.

(B) The annual average daily attendance for evening community college programs designated as adult schools pursuant to Section 78401, as determined pursuant to Section 78405.

(C) The annual average daily attendance of apprentices enrolled in any class and reported pursuant to Section 8150, except that one unit of average daily attendance, for purposes of this paragraph, shall equal 525 hours of apprenticeship instruction in an apprenticeship program operated pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(3) In state agencies that provide direct elementary and secondary level instructional services:

(A) The annual average daily attendance equivalent for pupils enrolled in the State Schools for the Handicapped pursuant to Part 32 (commencing with Section 59000).

(B) The annual average daily attendance equivalent for pupils attending an educational program administered by the Department of the Youth Authority pursuant to Article 6 (commencing with Section 1120) and Article 10 (commencing with Section 1250) of Part 1 of Division 2 of Chapter 3 of the Welfare and Institutions Code.

(C) The annual average daily attendance equivalent for pupils in the state hospitals operated by the State Department of Developmental Services pursuant to Chapter 8 (commencing with Section 56850) of Part 30.

(b) Any determination or computation of enrollment for purposes of this section shall be based upon actual data from prior years. For the next succeeding year, any determination or computation of enrollment for purposes of this section shall be the estimated enrollment, adjusted as actual data become available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed, unless Senate Constitutional Amendment No. 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 2. Section 35294.1 of the Education Code, as added by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

35294.1. (a) The governing board of a school district, on behalf of one or more schools within the district that have developed a school safety plan, may apply to the Superintendent of Public Instruction for a grant to implement school safety plans. A grant shall be awarded only for school safety plans that include the following criteria:

(1) Assessment of the recent incidence of crime committed on the school campus.

(2) Identification of appropriate strategies and programs that will provide or maintain a high level of school safety.

(3) Development of an action plan, in conjunction with local law enforcement agencies, for implementing appropriate safety strategies and programs, and determining the fiscal impact of executing the strategies and programs. The action plan shall identify available resources which will provide for implementation of the plan.

(b) The Superintendent of Public Instruction shall award grants pursuant to this section to school districts for the implementation of individual school safety plans in an amount not to exceed five thousand dollars ($5,000) for each school. No grant shall be made unless the school district makes available, for purposes of implementing the school safety plans, an amount of funds equal to the amount of the grant. Grants should be awarded through a competitive process, based upon criteria including, but not limited to, (1) the merit of the proposal and (2) the need for imposing school safety, based on school crime rates.

(c) Any school district receiving a grant under this section shall report to the Superintendent of Public Instruction annually for three consecutive years following the receipt of the grant concerning the impact of the implementation of the school safety plan on the incidence of crime on the campus of the school.

SEC. 2.5. Section 41202 of the Education Code, as added by Assembly Bill 98 of the 1989–90 Regular Session, is amended to read:

41202. The words and phrases set forth in subdivision (b) of

Section 8 of Article XVI of the Constitution of the State of California shall have the following meanings:

(a) "Monies to be applied by the state," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution, means appropriations from the General Fund that are made for allocation to school districts, as defined, or community college districts. An appropriation that is withheld, impounded, or made without provisions for its allocation to school districts or community college districts, shall not be considered to be "monies to be applied by the state."

(b) "State General Fund revenues which may be appropriated pursuant to Article XIII B," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI, means General Fund revenues that are the proceeds of taxes as defined by subdivision (c) of Section 8 of Article XIII B of the California Constitution, including, for the 1986–87 fiscal year only, any revenues that are determined to be in excess of the appropriations limit established pursuant to Article XIII B for the fiscal year in which they are received. General Fund revenues for a fiscal year to which paragraph (1) is being applied shall include, in that computation, only General Fund revenues for that fiscal year that are the proceeds of taxes, as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, and shall not include prior fiscal year revenues. The amount of the proceeds of taxes shall be computed for any fiscal year in a manner consistent with the manner in which the amount of the proceeds of taxes was computed by the Department of Finance for purposes of the Governor's Budget for the Budget Act of 1986.

(c) "State General Fund revenues appropriated for school districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, regardless of whether those appropriations were made from the General Fund to the Superintendent of Public Instruction, to the Controller, or to any other fund or state agency for the purpose of allocation to school districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(d) "State General Fund revenues appropriated for community college districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to community college districts.

The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(e) "Total allocations to school districts and community college districts from the State General Fund proceeds of taxes appropriated pursuant to Article XIII B," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, and community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Superintendent of Public Instruction, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to school districts and community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (2) of Section 8 of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(f) "State General Fund revenues appropriated for school districts and community college districts, respectively" and " monies to be applied by the state for the support of school districts and community college districts," as used in Section 8 of Article XVI of the California Constitution, shall include funds appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6 and shall not include any of the following:

(1) Any appropriation that is not made for allocation to a school district, as defined in Section 41302.5, or to a community college district regardless of whether the appropriation is made for any purpose that may be considered to be for the benefit to a school district, as defined in Section 41302.5, or a community college district. This paragraph shall not be construed to exclude any funding appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6.

(2) Any appropriation made to the Teachers' Retirement Fund or to the Public Employees' Retirement Fund except those appropriations for reimbursable state mandates imposed on or before January 1, 1988.

(3) Any appropriation made to service any public debt.

(g) "Allocated local proceeds of taxes," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for school districts as defined, those local revenues, except revenues identified pursuant to paragraph (5) of subdivision (h) of Section 42238, that are used to offset state aid for school districts in calculations performed pursuant to Sections 2558,

42238, and 56712.

(h) "Allocated local proceeds of taxes," as used in paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for community college districts, those local revenues that are used to offset state aid for community college districts in calculations performed pursuant to Section 84700. In no event shall the revenues or receipts derived from student fees be considered "allocated local proceeds of taxes."

(i) For the purposes of calculating the 4 percent entitlement pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution, "the total amount required pursuant to Section 8(b)" shall mean the State General Fund aid required for schools pursuant to Section 8(b), and shall not include allocated local proceeds of taxes.

SEC. 3. Section 41204 of the Education Code, as added by Assembly Bill 198 of the 1989–90 Regular Session, is repealed.

SEC. 3.5. Section 41204 is added to the Education Code, to read:

41204. (1) It is the intent of the Legislature, pursuant to "The Classroom Instructional Improvement and Accountability Act," that school districts, as defined in Section 41302.5, and community college districts, as constituted during 1986–87 fiscal year, annually receive a basic minimum portion of the revenues that is equivalent to the percentage of revenues that were deposited to the General Fund in that year.

(2) In recognition of this intent, it is further the intent of the Legislature that both houses and the Governor be guided by the following:

(a) If the revenues of a tax that were deposited in the General Fund in the 1986–87 fiscal year are redirected to another fund, or level of government, then the percentages of General Fund revenues required to be applied by the state for the support of school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services shall be recalculated as if those revenues were not deposited in the General Fund in the 1986–87 fiscal year.

(b) If the allocated local proceeds of taxes, as defined by subdivisions (g) and (h) of Section 41202, received by a school district or community college district during the 1986–87 fiscal year are redirected to other entities or statutorily or constitutionally reduced or eliminated, the additional General Fund support provided to replace the allocated local proceeds of taxes may not be counted as General Fund revenues required to be applied for the support of school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services pursuant to paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, unless the percentage of General Fund revenues appropriated to school districts, community college districts, and state agencies providing direct elementary and secondary level instructional services in the

1986–87 fiscal year is adjusted to reflect the amount of General Fund support that would have been provided in the 1986–87 fiscal year had the allocated local proceeds of taxes been correspondingly reduced.

(c) If a program of a school district, as defined in Section 41302.5, or of a community college district was supported by state funds from a source other than the General Fund during the 1986–87 fiscal year and General Fund moneys are subsequently provided in support of the program and in lieu of the other source of funds, the supplanting General Fund revenues shall not be counted as monies to be applied by the state for the support of school districts or community college districts pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution.

(d) Programs that existed in the 1986–87 fiscal year, and were not the functional responsibility of school districts or community college districts in that fiscal year, shall not be shifted to the responsibility or financial support of school districts or community college districts without appropriate corresponding adjustment to the calculations made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution. Nothing in this subdivision shall be construed to prevent the creation of a new educational program that is supported by a General Fund appropriation made in conformity with subdivision (b) of Section 8 of Article XVI of the California Constitution.

(e) Enrollment, average daily attendance, or average daily attendance equivalents used for the purpose of calculating "increases in enrollment" pursuant to paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution shall not be redefined, adjusted, or otherwise recalculated unless the appropriate action is taken to neutralize the effect of the change with respect to the adjustment required to be made for increases in enrollment.

SEC. 4. Section 41841.5 of the Education Code, as amended by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

41841.5. (a) The Superintendent of Public Instruction shall allow to each school district maintaining a secondary school an amount equal to the actual current expense of the district of maintaining adult education classes for prisoners in any county jail, or any county industrial farm or county or joint county road camp for the current fiscal year. The amount so allowed to a district for each unit of average daily attendance in these classes shall in no event exceed the statewide average revenue limit for adults multiplied by 0.8.

Each school district shall receive advanced apportionments as authorized by Sections 41330, 41332, and 41335 on the basis of the cost data report of the district for the preceding fiscal year and each district shall file a preliminary cost data report based upon estimated current expenses.

For purposes of this section, the Superintendent of Public Instruction shall, by rules and regulations, establish minimum standards for the conduct of the adult education classes, including,

but not necessarily limited to, attendance requirements and requirements concerning records to be kept and reports to be submitted.

(b) There is hereby appropriated from the General Fund to Section A of the State School Fund the following sums for the following fiscal years for the purposes of subdivision (a):

(1) For the 1980–81 fiscal year	$1,020,100
(2) For the 1981–82 fiscal year and each fiscal year thereafter	$1,113,000

Commencing with the 1982–83 fiscal year, the amounts in paragraph (2) shall be cumulatively increased by 6 percent, unless otherwise provided by law. Commencing with the 1990–91 fiscal year, the amounts in paragraph (2) shall be increased by the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 5. Section 42238.15 of the Education Code, as added by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

42238.15. (a) Notwithstanding any other provision of law, and in lieu of any inflation or cost-of-living adjustment otherwise authorized for any of the programs enumerated in subdivision (b), state funding for the programs enumerated in subdivision (b) shall be increased annually by the product of the following:

(1) The sum of 1.0 plus the percentage change determined under subdivision (b) of Section 42238.1.

(2) The sum of 1.0 plus the percentage of increase, from the prior fiscal year to the current fiscal year, in each of the workload factors described in subdivision (b).

(b) The programs for which annual state funding increases are determined under this section, and the factors used to measure workload for each of those programs, are as follows:

(1) Special education programs and services, as measured by the regular second principal apportionment average daily attendance for kindergarten and grades 1 to 12, inclusive.

(2) Child care and development programs, and preschool programs, as measured by the state population of children up to and including four years of age.

(3) Instructional materials for kindergarten and grades 1 to 8, inclusive, as measured by enrollment in kindergarten and grades 1 to 8, inclusive.

(4) Instructional materials for grades 9 to 12, inclusive, as measured by enrollment in those grades.

(5) Regional occupational programs and centers, as measured by enrollment in grades 11 and 12.

(6) School improvement programs in kindergarten and grades 1 to 6, inclusive, as measured by enrollment in kindergarten and grades 1 to 6, inclusive.

(7) School improvement programs in grades 7 to 12, inclusive, as

measured by enrollment in those grades.

(8) Economic impact aid, as measured by the number of children aged 5 to 17, inclusive, from families that receive Aid to Families with Dependent Children and the number of pupils of limited English proficiency, as identified pursuant to Section 52163.

(9) Staff development programs, as measured by enrollment in kindergarten and grades 1 to 12, inclusive.

(10) Gifted and talented education programs, as measured by enrollment in kindergarten and grades 1 to 12, inclusive.

(c) This section shall become operative July 1, 1990, only if Senate Constitutional Amendment 1 is ratified by the voters at the statewide election to be held on June 5, 1990.

SEC. 6 Section 42239.5 of the Education Code is amended to read:

42239.5. (a) For the 1989–90 fiscal year and each fiscal year thereafter, average daily attendance generated by elementary and secondary school pupils in voluntary Saturday school programs shall be eligible for summer school apportionments calculated pursuant to Section 42239 if those programs meet the following conditions:

(1) The instruction is in core academic areas specified in paragraph (2) of subdivision (d) of Section 42239, or as specified for summer school in Section 37252 and subdivision (a) of Section 37253, or in a course that provides credit toward high school graduation.

(2) The instruction is provided on Saturday and does not exceed 180 minutes.

(3) The average pupil/teacher ratio does not exceed 20:1.

(4) Attendance by the pupils is not required by the participating schools and districts.

(b) Any minor pupil whose parent or guardian informs the school district that the pupil is unable to attend a Saturday school program established pursuant to this section for religious reasons, or any pupil 18 years of age or older who states that he or she is unable to attend a Saturday school program established pursuant to this section for religious reasons, shall be given priority over pupils who have attended the Saturday school program for enrollment in the regular summer school program if he or she chooses to enroll in the regular summer school program.

(c) Participating districts shall encourage the participation of elementary and secondary schools with low academic performance.

(d) The Superintendent of Public Instruction shall develop and distribute a program advisory to school districts on this program option.

(e) This section shall become inoperative on June 30, 1991, and, as of January 1, 1992, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1992, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 42241.2 of the Education Code, as amended by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

42241.2. A school district may add, in the computation of the

district's revenue limit pursuant to Section 42238 for the current fiscal year, the amount computed in the preceding fiscal year for Meals for Needy Pupils programs (Article 11 (commencing with Section 49550) of Chapter 9 of Part 27) multiplied by 1.06, except that, commencing with the 1990–91 fiscal year, that amount shall instead be multiplied by the sum of 1 plus the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 8. Section 49536 of the Education Code, as amended by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

49536. Commencing with the 1985–86 fiscal year, funds allocated pursuant to subdivision (a) of Section 41350 to child nutrition entities for school and child care and development program meals pursuant to this article shall be disbursed on the basis of eleven and thirty-five hundredths of a cent ($0.1135) for each breakfast and eleven and thirty-five hundredths of a cent ($0.1135) for each lunch served.

The State Department of Education shall thereafter, prior to July 1 of each subsequent year, prescribe an adjustment in the state meal contribution rates established pursuant to this section for the forthcoming fiscal year. The adjustments shall reflect the changes in the cost of operating a school breakfast and lunch program and shall be made commencing on July 1 of each year. The adjustment shall be the average of the separate indices of the "Food Away From Home Index" for Los Angeles and San Francisco as prepared by the United States Bureau of Labor Statistics.

In giving effect to the cost-of-living provisions of this section, the Department of Education shall use the same month for computation of the percentage change in the cost of living after July 1, 1975. The same month shall be used annually thereafter. The product of any percentage increase or decrease in the average index and the per meal reimbursement disbursement rate shall be adjusted by the amount of any cost-of-living change currently in effect pursuant to the provisions of this section.

Commencing with the 1990–91 fiscal year, the cost-of-living adjustment shall be equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

SEC. 9. Section 52616 of the Education Code, as amended by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

52616. The Superintendent of Public Instruction shall determine an adult block entitlement for school districts which maintain education programs for adults. This entitlement shall be paid from appropriations to Section A of the State School Fund as a part of the principal apportionment to school districts.

(a) For the 1983–84 fiscal year, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year calculated pursuant to Provision 1 of Item 6100-156-001 of the Budget Act of 1982 shall be increased by seventy dollars ($70). For the 1984–85 fiscal year to the 1987–88 fiscal year, inclusive, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year shall be increased by an amount equal to 6 percent of the

prior year's statewide average adult revenue limit per unit of average daily attendance, provided that no such revenue limit per unit of average daily attendance shall be less than 1.06 times the prior fiscal year's statewide average adult revenue limit per unit of average daily attendance. For the 1990–91 fiscal year and each fiscal year thereafter, each district's adult revenue limit per unit of average daily attendance for the prior fiscal year shall be increased by an amount equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) For the purposes of the block entitlement, the district's average daily attendance shall be the lesser of paragraph (1) or (2):

(1) The 1982–83 adult average daily attendance authorized for funding purposes for the programs specified in Section 41976, as specified in Item 6100-156-001 of the Budget Act of 1982, multiplied by 1.025 in the 1983–84 fiscal year and each fiscal year thereafter.

(2) The actual adult average daily attendance for the programs specified in Section 41976.

(c) The adult block entitlement shall be computed by multiplying the adult revenue limit per unit of average daily attendance from subdivision (a) and the adult average daily attendance allowed in subdivision (b). The adult block entitlement shall be deposited in a separate fund of the district to be known as the "adult education fund." Moneys in an adult education fund shall be expended only for adult education purposes. Moneys received for programs other than adult education shall not be expended for adult education.

(d) If the adult average daily attendance of a school district in any fiscal year is less than the adult average daily attendance utilized to compute the funded district adult education block entitlement for that fiscal year, the district shall receive an apportionment only for the actual average daily attendance generated. Any surpluses accrued as a result of average daily attendance not generated in a district's block entitlement shall be reallocated after the annual apportionment by the Superintendent of Public Instruction to provide services to welfare recipients pursuant to Section 33117.5. Any remaining surplus shall be reallocated to meet unanticipated growth in adult education. The receipt of reallocated funds shall not be used for computational purposes for the district's block entitlement for subsequent fiscal years.

(e) Each school district which conducted adult education programs for substantially handicapped adults in activity centers, work activity centers, sheltered workshops, state hospitals, and other community settings, shall set aside an amount of money from its adult education block entitlement equal to its current fiscal year revenue limit times the average daily attendance generated in these facilities in the 1979–80 fiscal year times 1.02, subject to the following:

(1) The classes and courses offered in activity centers, work activity centers, sheltered workshops, and state hospitals shall be authorized pursuant to subdivision (e) of Section 41976.

(2) A school district shall operate classes in these facilities and

shall expend all funds set aside pursuant to this subdivision and shall use all funds exclusively for those classes for substantially handicapped adults.

(3) The conditions imposed by paragraphs (1) and (2) may be waived by the Superintendent of Public Instruction upon certification from the school district that the local demand for the program is less than the required level of service.

SEC. 10. Section 60246 of the Education Code, as amended by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

60246. (a) The Controller shall, during each fiscal year, commencing with the 1983–84 fiscal year, transfer from the General Fund of the state to the State Instructional Materials Fund, an amount of twenty-one dollars and eighteen cents ($21.18) per pupil in the average daily attendance in the public elementary schools during the preceding fiscal year, as certified by the Superintendent of Public Instruction, except that this amount shall be adjusted annually through and including fiscal year 1987-88 in conformance with the Consumer Price Index, all items, of the Bureau of Labor Statistics of the United States Department of Labor, measured for the calendar year next preceding the fiscal year to which it applies. Commencing with the 1990–91 fiscal year, the amount shall be adjusted annually by an amount equal to percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) The amount transferred pursuant to subdivision (a) includes the designated percentage of the cash entitlements to be used to pay for unadopted state materials, tests, and in-service training.

SEC. 11. Section 13864 of the Penal Code, as added by Assembly Bill 198 of the 1989–90 Regular Session, is amended to read:

13864. There is hereby created in the Office of Criminal Justice Planning the Comprehensive Alcohol and Drug Prevention Education component of the Suppression of Drug Abuse in Schools Program in public elementary schools in grades 4 to 6, inclusive. Notwithstanding Section 13861 or any other provision in this code, all Comprehensive Alcohol and Drug Prevention Education component funds made available to the Office of Criminal Justice Planning in accordance with the Classroom Instructional Improvement and Accountability Act shall be administered and disbursed to county superintendents of schools in this state by the Executive Director of the Office of Criminal Justice Planning. All applications for that funding shall be reviewed and evaluated by the Office of Criminal Justice Planning, in consultation with the Department of Alcohol and Drug Programs and the State Department of Education.

(a) The executive director is authorized to allocate and award funds to county department superintendents of schools for allocation to individual school districts or to a consortium of two or more school districts. Applications funded under this section shall comply with the criteria, policies, and procedures established under subdivision (b) of this section.

(b) As a condition of eligibility for the funding described in this section, the school district or consortium of school districts shall have entered into an agreement with a local law enforcement agency to jointly implement a comprehensive alcohol and drug abuse prevention, intervention, and suppression program developed by the Office of Criminal Justice Planning, in consultation with the Department of Alcohol and Drug Programs and the State Department of Education, containing all of the following components:

(1) A standardized age-appropriate curriculum designed for pupils in grades 4 to 6, inclusive, specifically tailored and sensitive to the socioeconomic and ethnic characteristics of the target pupil population. Although new curricula shall not be required to be developed, existing curricula may be modified and adapted to meet local needs. The elements of the standardized comprehensive alcohol and drug prevention education program curriculum shall be defined and approved by the Governor's Policy Council on Drug and Alcohol Abuse, as established by Executive Order # D-70-80.

(2) A planning process that shall include both assessment of the school district's characteristics, resources and the extent of problems related to juvenile drug abuse, and input from local law enforcement agencies.

(3) A school district governing board policy that provides for a coordinated intervention system that, at a minimum, includes procedures for identification, intervention, and referral of at-risk alcohol- and drug-involved youth, and identifies the roles and responsibilities of law enforcement, school personnel, parents, and pupils.

(4) Early intervention activities that include, but are not limited to, the identification of pupils who are high risk or have chronic drug abuse problems, assessment, and referral for appropriate services, including ongoing support services.

(5) Parent education programs to initiate and maintain parental involvement, with an emphasis for parents of at-risk pupils.

(6) Staff and in-service training programs, including both indepth training for the core team involved in providing program services and general awareness training for all school faculty and administrative, credentialed, and noncredentialed school personnel.

(7) In-service training programs for local law enforcement officers.

(8) School, law enforcement, and community involvement to ensure coordination of program services.

(c) The application of the county superintendent of schools shall be submitted to the Office of Criminal Justice Planning. Funds made available to the Office of Criminal Justice Planning for allocation under this section are intended to enhance, but shall not supplant, local funds that would, in the absence of the Comprehensive Alcohol and Drug Prevention Education component, be made available to prevent, intervene in, or suppress drug abuse among school-age

children. For districts that are already implementing a comprehensive drug abuse prevention program for pupils in grades 4 to 6, inclusive, the county superintendent shall propose the use of the funds for drug prevention activities in school grades other than 4 to 6, inclusive, compatible with the program components of this section. The expenditure of funds for that an alternative purpose shall be approved by the executive director.

(1) Unless otherwise authorized by the Office of Criminal Justice Planning, each county superintendent of schools shall be the fiscal agent for any Comprehensive Alcohol and Drug Prevention Education component award, and shall be responsible for ensuring that each school district within that county receives the allocation prescribed by the Office of Criminal Justice Planning. Each county superintendent shall develop a countywide plan that complies with program guidelines and procedures established by the Office of Criminal Justice Planning pursuant to subdivision (d). A maximum of 5 percent of the county's allocation may be used for administrative costs associated with the project.

(2) Each county superintendent of schools shall establish and chair a local coordinating committee to assist the superintendent in developing and implementing a countywide implementation plan. This committee shall include the county drug administrator, law enforcement executives, school district governing board members and adminstrators, school faculty, parents, and drug prevention and intervention program executives selected by the superintendent and approved by the county board of supervisors.

(d) The Executive Director of the Office of Criminal Justice Planning, in consultation with the Department of Alcohol Drug Programs and the State Department of Education, shall prepare and issue guidelines and procedures for the Comprehensive Alcohol and Drug Prevention Education component consistent with this section.

(e) The Comprehensive Alcohol and Drug Prevention Education component guidelines shall set forth the terms and conditions upon which the Office of Criminal Justice Planning is prepared to award grants of funds pursuant to this section. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(f) Funds awarded under the Comprehensive Alcohol and Drug Prevention Education Program shall not be subject to Section 10318 of the Public Contracts Code.

(g) Commencing January 1, 1991, or six months after a full year of program operation, whichever occurs later, the executive director shall prepare and submit an annual report to the Legislature describing the operation of the program and the results obtained from the Comprehensive Alcohol and Drug Prevention Education component receiving funds under this section.

(h) Funds available pursuant to Item 8100-111-001 and Provision 1 of Item 8100-001-001 of the Budget Act of 1989, or the successor provision of the appropriate Budget Act, shall be allocated to

implement this section.

SEC. 11.5. Section 32 of Assembly Bill 98 of the 1989–90 Regular Session is amended to read:

Sec. 32. Notwithstanding any other provision of law, any school district not receiving funding in the 1988–89 fiscal year for gifted and talented education programs may apply to the Superintendent of Public Instruction for funding for a program for gifted and talented education, commencing in the 1989–90 fiscal year, which funding shall be apportioned pursuant to the funding formula that applied, as of June 29, 1988, for a district's first year of funding for that purpose.

SEC. 12. Section 36 of Assembly Bill 198 of the 1989–90 Regular Session is amended to read:

Sec. 36. (a) The sum of three hundred seventy-nine million five hundred eleven thousand dollars ($379,511,000) is hereby appropriated from the General Fund to Section A of the State School Fund for the 1989–90 fiscal year. The amount appropriated in this subdivision shall be apportioned in accordance with the following schedule:

(1) To the Superintendent of Public Instruction for allocation to school districts to provide for base revenue limit equalization pursuant to Section 42238.4 of the Education Code		$76,000,000
(2) To the Superintendent of Public Instruction for allocation for purposes of special education program growth pursuant to Section 56728.6 of the Education Code, in augmentation of Item 6110-161-001 of Section 2.00 of the Budget Act of 1989		$10,000,000
(3) To the Superintendent of Public Instruction for allocation to school districts for the purposes of Section 41851.1 of the Education Code		$10,000,000
(4) To the Superintendent of Public Instruction for allocation to eligible school districts for purposes of Section 42251 of the Education Code in augmentation of Item 6110-101-001 of Section 2.00 of the Budget Act of 1989		$6,000,000
(5) To the Superintendent of Public Instruction for allocation for the purposes of Article 9 (commencing with Section 54760) of Chapter 9 of Part 29 of the Education Code		$180,000,000
(6) To the State Department of Education		$1,011,000
For allocation as follows:		
(A) To existing Indian education centers as a cost-of-living adjustment to the actual revenue limits received in the 1983–84 to 1988–89 fiscal years, inclusive	$120,000	
(B) For each of six existing centers		

that presently do not provide transportation services receiving five thousand dollars ($5,000) each for startup costs for transportation $30,000

(C) To establish 10 new Indian education centers at current funding levels..... $861,000 in the following areas:

(1) Fresno, Madera, and Kings Counties.
(2) Siskiyou, Shasta, and Modoc Counties.
(3) Butte County.
(4) Del Norte County.
(5) Imperial County.
(6) Tulare County.
(7) Alameda County and the City and County of San Francisco.
(8) Los Angeles County.
(9) Mendocino and Sonoma Counties.
(10) Amador, El Dorado, and Alpine Counties.

The State Department of Education shall allocate these funds on a competitive bid basis, and shall ensure that funds allocated to the centers reflect the relative funding needs of each center.

(7) To the Superintendent of Public Instruction for allocation for purposes of Section 35294.1 of the Education Code..... $500,000

(8) To the Superintendent of Public Instruction for allocation to school districts and county offices of education based on an equal amount per unit of average daily attendance. The amount a district receives under this paragraph shall not be considered an adjustment to the district's base revenue limit..... $93,000,000

The disbursement of these funds shall be included as part of the apportionments to which a school district or county office of education is allowed under Article 3 (commencing with Section 41330) of Chapter 3 of Part 24 of the Education Code, and shall be allocated in the advance apportionment and the first principal apportionment based upon available estimates of average daily attendance.

(9) To the State Department of Education, in augmentation of the allocations made pursuant to Provisions (5) and (6) of Item 6110-120-001 of Section

2.00 of the Budget Act of 1989..... $3,000,000

(b) The sum of eighty-four million dollars ($84,000,000) is hereby appropriated from the General Fund to Section B of the State School Fund for the 1989–90 fiscal year. The amount appropriated in this subdivision shall be apportioned in accordance with the following schedule:

(1) To the Chancellor of the California Community Colleges for allocation to local community college districts to begin implementation of Phase I of transitional program improvements pursuant to Section 84755 of the Education Code and Section 70 of Chapter 973 of the Statutes of 1988 ..... $70,000,000
(2) To the Board of Governors of the California Community Colleges, for purposes of program 20.10.070 (matriculation), in augmentation of Item 6870-101-001 of Section 2.00 of the Budget Act of 1989 ..... $14,000,000

SEC. 13. The sum of two million five hundred thousand dollars ($2,500,000) is hereby reappropriated from paragraph (1) of subdivision (a) of Section 36 of Assembly Bill 198 of the 1989–90 Regular Session to the Superintendent of Public Instruction for allocation for the 1989–90 fiscal year for purposes of special education program growth pursuant to Section 56728.6 of the Education Code, in augmentation of Item 6110-161-001 of Section 2.00 of the Budget Act of 1989

SEC. 14. The sum of two million five hundred thousand dollars ($2,500,000) is hereby reappropriated from paragraph (8) of subdivision (a) of Section 36 of Assembly Bill 198 of the 1989–90 Regular Session to the Superintendent of Public Instruction for allocation for the 1989–90 fiscal year for purposes of special education program growth pursuant to Section 56728.6 of the Education Code, in augmentation of Item 6110-161-001 of Section 2.00 of the Budget Act of 1989.

SEC. 15. The sum of three million dollars ($3,000,000) is hereby appropriated from the General Fund to Section A of the State School Fund for apportionment to the Superintendent of Public Instruction for the 1989–90 fiscal year, for allocation for purposes of special education program growth pursuant to Section 56728.6 of the Education Code, in augmentation of Item 6110-161-001 of Section 2.00 of the Budget Act of 1989.

SEC. 16. (a) Section 1 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 adds Section 14022.5 to the Education Code.

(b) Section 2 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill

198 adds Section 35294.1 to the Education Code.

(c) Section 2.5 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 adds Section 41202 to the Education Code.

(d) Section 3 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 adds Section 41204 to the Education Code.

(e) Section 4 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 amends Section 41841.5 of the Education Code.

(f) Section 5 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 adds Section 42238.15 to the Education Code.

(g) Section 7 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 amends Section 42241.2 of the Education Code.

(h) Section 8 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 amends Section 49536 of the Education Code.

(i) Section 9 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 amends Section 52616 of the Education Code.

(j) Section 10 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 amends Section 60246 of the Education Code.

(k) Section 11 of this act shall become operative only if Assembly Bill 198 is enacted and becomes effective on or before the date on which this bill is enacted and becomes effective, and Assembly Bill 198 adds Section 13864 to the Penal Code.

SEC. 17. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the changes made by this bill may apply during the entire 1989–90 school year, it is necessary that this act take effect immediately.

CHAPTER 93

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989]

I object to the following appropriations contained in Senate Bill No 165·

Item 0530-001-001—For support of Secretary for Health and Welfare I reduce this item from $2,044,000 to $1,814,000 by reducing

(a) Support from $3,739,000 to $3,509,000,

and by deleting Provision 1

I am reducing this item by $230,000 to eliminate the funding for an Office of Minority Health Affairs as proposed to be established by AB 1561

Health problems that are unique to minorities are being effectively addressed by existing programs within the Department of Health Services and other departments within the Health and Welfare Agency The augmentation proposed by this item would add another costly level of administrative structure that is not necessary

I am deleting Provision 1 to conform to this action.

Item 0530-101-001—For local assistance, Secretary of Health and Welfare. I delete this item and Provision 1

I am deleting the $250,000 legislative augmentation relating to the financing of an Office of Minority Health Affairs as proposed to be established by AB 1561

Health problems that are unique to minorities are being effectively addressed by existing programs within the Department of Health Services and other departments within the Health and Welfare Agency The augmentation proposed by this item would add another costly level of administrative structure that is not necessary

I am deleting Provision 1 to conform to this action

Item 0820-001-001—For support of Department of Justice. I reduce this item from $166,035,000 to $164,411,000 by reducing

(f) 45-Public Rights from $23,210,000 to $22,073,000,

(g) 50-Law Enforcement from $139,221,000 to $138,734,000,

and by deleting Provision 4

I am deleting the Legislative augmentation of $1,137,000 and 4 7 personnel years for litigation work related to the *Atlantic Richfield Company (ARCO) v. State Lands Commission, et al* Funding for this legal work should more appropriately be included in the State Lands Commission's budget, since the Commission has program responsibility regarding this matter This is important litigation and I have approved an additional $434,000 in the State lands Commission's Budget for its role in case preparation As I indicated in my veto message last year, I still believe this is an issue of such significant policy that it warrants careful study by the Legislature and should more appropriately be addressed through special legislation rather than through the budget process In the absence of such legislation, I believe that the Department of Justice should continue to redirect resources, in its $15,500,000 Public Rights Program on a priority basis, to ensure that the State's interests are protected

I am deleting the legislative augmentation of $350,000 and 7 6 personnel years to establish an Arson Information Management System While I am supportive of efforts to improve law enforcement's ability to control this serious crime, implementation of the proposed system is premature since the costs, benefits and feasibility have not been evaluated through the Feasibility Study Report process.

I am deleting the legislative augmentation of $137,000 and 1.9 personnel years for the administration of the Campaign Against Marijuana Planting (CAMP) program which was transferred by the Legislature to the Department of Justice from the Office of Criminal Justice Planning Additionally, consistent with this action, I am deleting the related $2,613,000 legislative augmentation to the Department of Justice (Item 0820-101-001) for allocation to counties for CAMP activities I am taking this action because the Office of Criminal Justice Planning is the more appropriate State agency to administer the State funded CAMP local assistance program based on its extensive experience with grants administration and management. The $2,750,000 I am vetoing within the Department of Justice's budget for CAMP will be set aside in order to return the program to the Office of Criminal Justice Planning So as not to disrupt the major seasonal eradication efforts to the local grant recipients, I would be supportive of urgency legislation which would authorize the restoration

I am deleting Provision 4 to conform to this action

Item 0820-001-477—For support of Department of Justice I delete Provision 1

I am deleting Provision 1 which was added by the Legislature to require the Director of Finance to transfer the unencumbered balance of this appropriation and any unexpended balance in the Gaming Registration Account on the effective date of the California Gaming Commission Act proposed to be established in AB 235 This provision constitutes an item of appropriation which I do not support I oppose the creation of this new commission because it is costly and would add another duplicative layer of management to existing regulatory agencies which are already effectively managing gaming in California Therefore, Provision 1 is not necessary

Item 0820-101-001—For local assistance, Department of Justice I reduce this item from $2,763,000 to $150,000 and delete Provision 1

I am deleting the $2,613,000 legislative augmentation for the local assistance portion of the Campaign Against Marijuana Planting (CAMP) program which I propose be set aside to be restored through urgency legislation appropriating funds to the Office of Criminal Justice Planning This action conforms to a reduction taken in Item 0820-001-001 related to administrative support for the CAMP program within the Department of Justice

I am also deleting Provision 1 to conform to this action.

Item 1108-001-001—For support of the California Aerospace Commission I delete this item and Provision 1

I am deleting the $350,000 legislative augmentation to establish the California Aerospace Commission because the need for a new California Air and Space Center has not been adequately demonstrated Furthermore, the State currently has an Air and Space Center at the California Museum of Science and Industry The creation of and funding for a new center and related staff would be duplicative This action conforms to my deletion of Item 1108-301-036

I am deleting Provision 1 to conform to this action

Item 1108-301-036—For capital outlay, California Aerospace Commission I delete this item and Provisions 1 and 2

I am deleting the $600,000 legislative augmentation to establish the California Aerospace Commission for the planning and development of the California Air and Space Center The creation of this new Commission would be duplicative of the existing activities of the California Museum of Science and Industry

I am deleting Provisions 1 and 2 to conform to this action.

Item 1230-020-735—For support of Contractors' State License Board. I reduce this item from $28,915,000 to $28,388,000 by reducing

(a) 30-Contractors' State License Board from $28,968,000 to $28,441,000,

and by deleting Provision 6 and revising Provision 7

I am reducing this item by $527,000 and 7 6 personnel years which represents partial funding for a new investigative unit to combat the unlicensed contractor problem I am retaining $528,000 and 7.6 personnel years to establish a unit as a demonstration project in Southern California to measure the effectiveness of such an effort I am revising Provision 7 to conform to this action

"7. Of the amount appropriated in this item, at least ~~$1,055,000~~ *$528,000* shall be dedicated to establishing a special investigation unit for the purpose of combating the unlicensed contractor problem in the State."

I am deleting Provision 6 which limits the Board's reserve to six months or 50 percent of operating expenditures. The decision should be deferred to the Board which has the statutory authority to maintain a reserve in an amount up to two years' operating budget expenditures. This language represents a substantive change to the Board's authority which can only be included in a different single subject bill, rather than the Budget Act.

Item 1480-064-763—For support of the State Board of Optometry. I reduce this item from $540,966 to $471,000 by reducing

(a) 69-Board of Optometry from $546,966 to $477,000,

and by revising Provision 1.

I am reducing this legislative augmentation by $69,966. The Legislature augmented this item to provide funding for the Board of Optometry to give licensing exams biannually rather than annually. Based on information provided by the Board, the yearly cost for the additional exam is $42,000 and 0.5 personnel years. On this basis, I am reducing the legislative augmentation by $69,966 and 3.0 personnel years.

I am revising Provision 1 to conform to this action.

"1. Of the funds appropriated by this item, ~~$111,966~~ *$42,000* shall be used for ~~3.5~~ *0.5* personnel years to administer a second licensure examination during the year."

Item 1510-070-761—For support of Board of Registered Nursing. I reduce this item from $7,866,000 to $7,616,000 by reducing

(a) 78-Board of Registered Nursing from $8,380,000 to $8,130,000,

and by deleting Provision 1.

I am deleting the $250,000 legislative augmentation for data collection and a study related to the registered nursing profession. The study of the nursing profession, required by Chapter 1421, Statutes of 1988, is still in progress. It is premature to require an additional study until the current study is completed.

I am deleting Provision 1 to conform to this action.

Item 1700-001-001—For support of Department of Fair Employment and Housing. I reduce this item from $10,001,000 to $10,000,000 by reducing

(a) 50-Administration of Civil Rights Law from $12,080,000 to $12,079,000,

and by deleting Provision 1.

I am reducing this item by $1,000. During 1986–87, the Department of Fair Employment and Housing consolidated the operations of the San Francisco legal office into the Sacramento legal office and eliminated the Boalt Hall Employment Discrimination Clinic. The Legislature has transferred funds from the Department of Fair Employment and Housing main support item to newly created items for the Los Angeles legal office, San Francisco legal office and the Boalt Hall Employment Discrimination Clinic. The amounts appropriated in these three items are based on the premise that all rent and other operating expenses for the legal offices will be paid from the main support item. However, the language in Provision 1 specifically precludes any transfer of funds to pay for the rent and other operating expenses in the three newly created items. The Department of Fair Employment and Housing would incur at least $1,000 of cost to relocate staff and pay the support expenses related to reestablishing the San Francisco legal office and the Boalt Hall Clinic. Although funds have not been budgeted for these administrative costs, I am reducing $1,000 which represents the savings that will be achieved based on vetoing language contained in Provision 1 of this item and similar provisions in the newly created items.

I am deleting Provision 1 to conform to this action.

I believe Provision 1 is inconsistent with the separation of powers provision concerning the Executive Branch authority and represents a substantive change of law.

Item 1700-011-001—For support of the Department of Fair Employment and Housing, Los Angeles Legal Office. I revise the language in this item and delete Provision 1.

The Department of Fair Employment and Housing has a district office in Los Angeles which employs attorneys to handle civil rights cases The department does not consider the legal staff in Los Angeles to constitute a legal office so I am revising this item to read:

"1700-011-001—For support of the Department of Fair Employment and Housing ; ~~Los Angeles Legal Office~~ "

I am deleting Provision 1 because this provision and the location specified in the item (Los Angeles Legal Office) are inconsistent with two Constitutional provisions. First, the language violates the separation of powers provision concerning the Executive Branch authority. Second, in as much as existing law does not define or reference the Los Angeles Legal Office, the language represents a substantive change of law which can only be included within a different single subject bill, rather than the Budget Act. I believe the Director of the Department of Fair Employment and Housing should be provided the opportunity to relocate staff and allocate funds to meet departmental needs which this language would prohibit

Item 1700-021-001—For the support of the Department of Fair Employment and Housing, San Francisco Legal Office I reduce this item from $438,000 to $437,000, revise the language in this item, and delete Provision 1.

The relocation of staff from Sacramento to San Francisco to reestablish a legal office would cost at least $1,000 In 1986–87 the Department closed the San Francisco legal office and consolidated the positions with the Sacramento office Evidence has not been provided to justify the reopening of this office Although relocation costs have not been budgeted in 1989–90, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 1 of this item

I am revising the language in the item to conform to this action

"1700-021-001—For the support of the Department of Fair Employment and Housing ; ~~San Francisco Legal Office~~ "

I am also deleting Provision 1 because this provision and the location specified in the item (San Francisco Legal Office) are inconsistent with two Constitutional provisions First, the language violates the separation of powers provisions concerning Executive Branch authority Second, inasmuch as existing law does not define or reference the San Francisco Legal Office, the language represents a substantive change of law which can only be included in a different single subject bill, rather than the Budget Act

Item 1700-031-001—For support of the Department of Fair Employment and Housing, Boalt Hall Employment Discrimination Clinic I reduce this item from $72,000 to $71,000, revise the language in this item, and delete Provision 1 The relocation of staff from Sacramento to Berkeley to reestablish a legal clinic at Boalt Hall School of Law would cost at least $1,000. In 1986–87 the department closed the Boalt Hall legal clinic and evidence has not been provided to justify the reopening of this clinic Although relocation costs have not been budgeted in 1989–90, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 1 of this item

I am revising the language in the item to conform to this action.

"1700-031-001—For the support of the Department of Fair Employment and Housing ; ~~Boalt Hall Employment Discrimination Clinic~~ ."

I am deleting Provision 1 because this provision and the location specified in the item (Boalt Hall Employment Discrimination Clinic) are inconsistent with two Constitutional provisions. First, the language violates the separation of powers provision concerning Executive Branch authority. Second, inasmuch as existing law does not define or reference the Boalt Hall Employment Discrimination Clinic, the language represents a substantive change of law which can only be included within a different single subject bill, rather than the Budget Act

Item 1705-001-001—For support of the Fair Employment and Housing Commission I reduce this item from $884,000 to $805,000

I am reducing the $171,000 legislative augmentation by $79,000 and 1.4 personnel years to restore positions in the Fair Employment and Housing Commission I am retaining two attorney positions for workload involving enforcement of the Ralph Act and to represent the Commission in court litigation I do not believe the remainder of the workload related to this augmentation is of sufficiently high priority to justify the use of limited State General Fund resources

Item 1760-001-001—For support of the Department of General Services I reduce this item from $10,144,000 to $9,968,000 and delete Provision 5

I am reducing the $476,000 legislative augmentation for increased State Police security by $176,000

I am retaining $300,000 and 8 2 personnel years to meet security needs in the capitol area

I am deleting Provision 5 to conform to this action

Item 1760-001-666—For support of Department of General Services I reduce this item from $314,537,000 to $314,462,000 by reducing·

(a) 100000-Personal Services from $182,494,000 to $182,328,000,

(b) 300000-Operating Expenses and Equipment from $249,640,000 to $249,555,000,

(d) Amount payable from the General Fund (Item 1760-001-001) from −$10,144,000 to −$9,968,000,

and by deleting Provision 6.

I am deleting the $75,000 legislative augmentation for computer equipment for the Office of Small and Minority Business The augmentation provided is insufficient to expand the data base as proposed by the Legislature The need for additional funding for this purpose should be identified as part of the budget development process which includes the preparation and review of a Feasibility Study Report which specifies the project's scope and estimates the implementation costs

I am deleting Provision 6 to conform to this action

I am revising schedules in this item to conform to the action taken in Item 1760-001-001 regarding the State Police augmentation.

Item 1760-301-036—For capital outlay, Department of General Services I reduce this item from $3,954,000 to $3,154,000 by deleting

(b) 50 25 004-Van Nuys Child Day Care Center—Preliminary Plans, Working Drawings, Construction and Equipment ($800,000),

and by deleting Provision 2

I am reducing this item by $800,000 to delete the Van Nuys Child Day Care Center This project should be submitted during the budget development process for consideration of funding in the context of competing needs and priorities.

I am deleting Provision 2 to conform to this action

Item 1880-001-001—For support of State Personnel Board I reduce this item from $13,278,000 to $11,728,000 by adding

Unallocated Reduction −$1,550,000

I am deleting the $1,550,000 legislative augmentation to restore the 20 percent unallocated reduction I proposed in the 1989–90 Governor's Budget

I am confident that the Board can meet all Constitutional and statutory requirements with the level of funding I proposed Additionally, I do not believe that this augmentation is of sufficiently high priority to justify the use of limited State General Fund resources

Item 2240-001-001—For support of Department of Housing and Community Development. I reduce this item from $6,522,000 to $6,521,000 by reducing

(d) 5001-Administration from $7,974,000 to $7,973,000,

and by deleting Provision 1

I am reducing this item by $1,000 and deleting Provision 1, which links the salary of the Public Affairs Manager to the department's submission of a plan to the Legislature related to improving the sensitivity of various department personnel to the issue of homelessness. My administration, including the Department of Housing and Community Development, is aware of the needs of homeless Californians and is attempting to provide needed services to the homeless in a systematic and compassionate manner

Item 2240-101-001—For local assistance, Department of Housing and Community Development. I reduce this item from $15,247,000 to $4,400,000 by reducing

(a) 20-Community Affairs from $92,599,000 to $76,854,000,

and by deleting

(bx) Amount payable from the Outer Continental Shelf Land Act Section 8g Revenue Fund Item (2240-101-164) (−$4,898,000),

and by deleting Provisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 12

I am deleting the $3,000,000 legislative augmentation to provide funds for operating costs of homeless shelters Provision of emergency shelter for the homeless is a joint responsibility of Federal, State, and local agencies The State's share of funding for this program will be provided through the $772,000 remaining in the Department of Housing and Community Development's budget for the Emergency Shelter Program operating costs and the $25,000,000 available for this program during the next two years from Proposition 84

I am deleting Provision 1 to conform to this action

I am deleting the $3,000,000 legislative augmentation, payable from Item 2240-101-164, Outer Continental Shelf Land Act Section 8g Revenue Fund, for the Farmworker Housing Grant Program I am deleting this augmentation because $5,000,000 will be allocated for farmworker housing from Proposition 84 bond funds during 1989–90 This is twice the funding which has been available for this purpose in past years

I am deleting Provision 2 to conform to this action

I am deleting the $2,000,000 legislative augmentation for the Self-Help Housing Program This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties Furthermore, I believe the $75,000,000 available under Proposition 77 during 1989–90, and the $12,500,000 estimated to be allocated under Proposition 84 during 1989–90 for the Special User Housing Rehabilitation Program and the Deferred Payment Rehabilitation Loan Program, addresses the need to rehabilitate single family residences for low and moderate income households

I am deleting Provision 3 to conform to this action

I am deleting the $500,000 legislative augmentation for the Senior Citizen's Shared Housing Program This program has been funded in past years from Tidelands Oil Revenue, which no longer is a viable source of funding. This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 4 to conform to this action

I am deleting the $250,000 legislative augmentation, payable from Item 2240-101-164, Outer Continental Shelf Land Act Section 8g Revenue Fund, for the Rural Community Facilities Technical Assistance Program, which assists low-income rural communities in resolving water and wastewater problems I believe that sufficient funds are currently available in the budget to provide this assistance to rural communities. Of the $76,300,000 in the department's local assistance budget, over 50 percent is designated for small cities and rural areas In addition, my budget plan for the Rural Renaissance Program will provide $8,000,000 in 1989–90 to finance public improvements in rural counties

I am deleting Provision 5 to conform to this action

I am deleting the $230,000 legislative augmentation, payable from Item 2240-101-164, Outer Continental Shelf Land Act Section 8g Revenue Fund, for the Rural Development Assistance Program As stated above, I believe that sufficient funds currently are available within the budget to address rural community development

I am deleting Provision 6 to conform to this action

I am deleting the $107,000 legislative augmentation for the Homeless Coordinated Intake Project This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 7 to conform to this action

I am deleting the $240,000 legislative augmentation for the Public Guardian Pilot Program, Financial Services for Seniors This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 8 to conform to this action.

I am deleting the $1,418,000 legislative augmentation, payable from Item 2240-101-164, Outer Continental Shelf Land Act Section 8g Revenue Fund, for the Special Housing Program for Migratory Workers Proposition 84, approved by the voters in November 1988, provides $10,000,000 for the rehabilitation and construction of migrant farmworker centers In view of the availability of that source of funds, I do not believe this program to be of sufficiently high priority to justify the use of limited state resources

I am deleting Provision 9 to conform to this action

I am deleting the $5,000,000 legislative augmentation for the Homeless Assistance Loan Revolving Fund upon enactment of AB 1391 of the 1989 session The creation of the revolving fund is not of sufficiently high priority to justify the use of limited state resources in light of the need to protect vital programs and to provide for a prudent reserve for economic uncertainties Furthermore, this augmentation constitutes contingency budgeting in that legislation which would be required to establish the fund has not yet been enacted

I am deleting Provision 12 to conform to this action

Item 2240-490—Reappropriation, Department of Housing and Community Development I delete this item

I am deleting this reappropriation of funds remaining in the appropriation made by Chapter 112, Statutes of 1988, for operating costs of the Office of Migrant Services, including rehabilitation costs of migrant farmworker centers Proposition 84, approved by the voters in November 1988, provides $10,000,000 for the rehabilitation and construction of migrant farmworker centers In view of the availability of that source of funds, I do not believe this program to be of sufficiently high priority to justify the use of limited state resources

Item 2240-101-164—For local assistance, Department of Housing and Community Development I delete this item.

I am deleting this item to conform to the action I have taken in Item 2240-101-001

Item 2660-001-042—For support of Department of Transportation I revise this item by reducing (c) 30-Mass Transportation from $37,788,000 to $37,638,000, and

(j) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-001-046) from −$32,656,000 to −$32,506,000, and by deleting Provisions 6 and 9

I am deleting the $150,000 legislative augmentation, payable from Item 2660-001-046, to fund the development of a railroad rights-of-way acquisition and development plan by the California Transportation Commission and the department, as required by SB 1562, which is currently pending before the Legislature I believe it would be more appropriate that funding for the plan be contained in the legislation

I am deleting Provision 6 to conform to this action.

I am deleting Provision 9 which would require the Department of Transportation to sell two parcels of property adjacent to the Interstate 405 freeway in Hawthorne to the City of Hawthorne for $100,000 each This language would inappropriately require the sale of the properties, currently appraised at over $3,000,000, at a price substantially below market value This would override the department's authority to sell excess land for parks at a mutually satisfactory price, as specified in Section 118 6 of the Streets and Highways Code, and would not be in the State's best interest

Item 2660-001-046—For support of Department of Transportation I reduce this item from $32,656,000 to $32,506,000

I am reducing this item to conform to the action I have taken in Item 2660-001-042

Item 2660-101-046—For local assistance, Department of Transportation I reduce this item from $49,652,000 to $48,677,000 by reducing

(a) 30-Mass Transportation from $45,620,000 to $44,645,000,

and by deleting Provision 2.

I am deleting the $975,000 legislative augmentation for the Tasman Corridor of the Santa Clara County light rail system Since light rail projects are normally funded based on priorities established by the California Transportation Commission, this allocation would circumvent the regular statewide priority allocation process, and would be inconsistent with the longstanding policy against project-specific budgeting

I am deleting Provision 2 to conform to this action

Item 2660-101-164—For local assistance, Department of Transportation. I reduce this item from $1,000,000 to $500,000 and delete Provision 1

I am deleting the $500,000 legislative augmentation to allocate funds to the Southern California Association of Governments for the following (1) $250,000 to establish a joint powers agency to assume responsibility for the operation of a commuter rail project, and (2) $250,000 to complete right-of-way acquisition negotiations for that project Because such activities are normally funded under the Transit Capital Improvements Program based on priorities established by the California Transportation Commission, this allocation would circumvent the regular statewide priority allocation process, and would be inconsistent with the longstanding policy against project-specific budgeting Also, I do not believe that this project is of sufficiently high priority to justify the use of limited Federal 8(g) resources I continue to support intercity rail passenger service and, with this veto, the 1989–90 Budget will still provide $10,000,000 for capital improvements to the San Diego-Los Angeles-Santa Barbara Rail Service

I am deleting Provision 1 to conform to this action

Item 2660-301-036—For capital outlay, Department of Transportation. I delete this item and Provision 1

I am deleting the $1,988,000 legislative augmentation to construct soundwalls on both sides of Interstate 405 between Victory Boulevard and Sherman Way in Los Angeles County. I support the Department of Transportation's retrofit soundwall construction program as provided by State law Under this program, funding for soundwalls is allocated from the State Highway Account to projects on the retrofit soundwall list in priority order This augmentation would provide separate funding from the Special Account for Capital Outlay (SAFCO) for one particular project. In doing so, it would provide an inequitable advantage to one project over others Such separate treatment would set an undesirable precedent Furthermore, by proposing to fund the soundwalls from SAFCO, this augmentation ignores both the limited funding available in the account and the many other high priority capital outlay needs of State programs which are funded from SAFCO.

I am deleting Provision 1 to conform to this action

Item 2660-302-046—For capital outlay, Department of Transportation I reduce this item from $21,254,500 to $10,000,000 by reducing

(a) 30-Mass Transportation from $44,370,000 to $21,861,000,

(b) Reimbursements from −$23,115,500 to −$11,861,000,

and by deleting Provisions 1, 2, 3 and 4.

I am deleting the $11,254,500 legislative augmentation for rail service improvements on the San Diego-Los Angeles-Santa Barbara rail corridor and the San Joaquin Rail Service. I continue to support intercity rail passenger service, and with this veto, the 1989–90 Budget will still provide $10,000,000 for capital improvements to the San Diego-Los Angeles-Santa Barbara Rail Service I believe that this level of funding is sufficient for needed rail improvements in 1989–90 and is consistent with the level of funding provided in the prior year I would be supportive of legislation that appropriates available Transportation Planning and Development Account funds for transit capital improvement projects This would enable the funds to be allocated by the California Transportation Commission according to statewide priorities.

I am deleting Provisions 1, 2, 3, and 4 to conform to this action.

Item 3340-001-001—For support of California Conservation Corps. I revise this item by reducing

(a) 10-Training and Work Program from $56,407,034 to $56,049,034,

and by deleting·

(fx)· Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (−$358,000),

and by deleting Provision 2

I am deleting the $358,000 legislative augmentation, payable from Item 3340-001-236, to provide state support for local conservation corps programs. This augmentation is contrary to current policy which provides that community conservation corps programs should work to become self-supportive and not rely on continual state support to operate their local programs

I am deleting Provision 2 because it is inconsistent with existing law in that it restricts the California Conservation Corps from expanding its nonresidential programs, if by expanding such programs, local corps programs are placed in a financially precarious condition This language inappropriately restricts the California Conservation Corps' ability to effectively implement new or expanded nonresidential programs that facilitate the training and employment of California's 18 to 23 year olds as program participants

Item 3340-001-236—For support of California Conservation Corps I delete this item

I am deleting this item to conform to the action I have taken in Item 3340-001-001

Item 3400-001-001—For support of State Air Resources Board. I revise this item by reducing

(b) 20-Environmental Affairs from $3,776,000 to $3,676,000, and

(g) Amount payable from Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3400-001-164) from −$2,050,000 to −$1,950,000.

I am deleting the $100,000 legislative augmentation to the Environmental Affairs Agency for mitigation of emissions from offshore oil platforms. While I am supportive of efforts to reduce air pollution, this project is not of sufficiently high priority to justify the use of limited state resources

Item 3400-001-164—For support of State Air Resources Board I reduce this item from $2,050,000 to $1,950,000

I am reducing this item by $100,000 to conform to the action I have taken in Item 3400-001-001

Item 3400-101-164—For local assistance, State Air Resources Board. I delete this item

I am deleting the $500,000 legislative augmentation to provide grants to coastal air pollution control districts While I am supportive of efforts in this area, I do not believe this project is of sufficiently high priority to justify the use of limited state resources.

Item 3600-001-036—For support of the Department of Fish and Game I delete this item

I am deleting the $200,000 legislative augmentation to expand a flood mitigation study In response to concerns from flood control and irrigation districts, a task force has been established to work with the Department of Fish and Game and attempt to resolve concerns regarding administrative procedures required by the department prior to districts performing operational and maintenance activities This augmentation has not been justified on a workload basis, not is it consistent with expenditure priorities for the use of monies from the Special Account for Capital Outlay

Item 3600-001-140—For support of Department of Fish and Game I reduce this item from $10,885,825 to $10,592,000

I am deleting the $60,000 legislative augmentation provided to construct the Shell Marsh Interpretive Center and the $233,825 legislative augmentation to construct an observation deck on Lake Merritt I do not believe that these projects are of sufficiently high priority to justify the use of limited state resources

Item 3600-001-200—For support of Department of Fish and Game. I revise this item by reducing

(a) 100000-Personal Services from $68,763,446 to $68,228,446,

(b) 300000-Operating Expenses and Equipment from $64,761,879 to $61,360,554,

(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) from −$10,885,825 to −$10,592,000,

(g) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-235) from −$7,407,500 to −$4,990,000,

(h) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3600-001-786) from −$4,935,000 to −$4,000,000,

and by deleting

(ex) Amount payable from Special Account for Capital Outlay (Item 3600-001-036) (−$200,000),

and by deleting Provisions 5, 6, 7 and 8

I am revising this item to conform to the actions taken in Items 3600-001-036, 3600-001-140, 3600-001-235, and 3600-001-786

I am also deleting Provision 8 because it requires the Department of Fish and Game to use $750,000 to contract with local community corps programs for habitat improvement work This language restricts the department's flexibility to consider operational alternatives which may prove to be more beneficial and less costly to the State Further, I believe this provision interferes with the department's ability to manage its programs and could result in increased costs to the State

Item 3600-001-235—For support of Department of Fish and Game. I reduce this item from $7,407,500 to $4,990,000 and delete Provision 1

I am deleting the $94,500 legislative augmentation to fund the administrative costs of the California Advisory Committee on Salmon and Steelhead Trout. I believe that pending legislation (AB 1589, Hauser) is a more appropriate mechanism to fund these administrative costs This legislation would require the Department to allocate to the Committee its administrative cost for programs funded from Proposition 99 funds

I am deleting the $200,000 legislative augmentation for the Urban Fishing Enhancement program While I support the positive impact this type of program could provide to urban youth, I do not believe additional funding is necessary. I have already provided $59,000 for the Department of Fish and Game to implement this new program

I am deleting the $625,000 legislative augmentation to implement a new Mussel Watch Program designed to conduct an extensive evaluation and data collection effort that identifies the level of damage to fish and wildlife from various toxic chemicals At this time, I do not have sufficient information to justify the expenditure of these funds over and above those already provided in the Budget for very similar activities

I am deleting the $800,000 legislative augmentation for the development of the Mokelumne Environmental Awareness Area located at the Comanche Lake storage facility on the upper Mokelumne River I believe this facility should more appropriately be funded by the East Bay Municipal Utilities District that manages and operates the storage facility

I am deleting the $70,000 legislative augmentation to fund the completion of a library inventory of petroleum products I do not believe that this project meets the criteria for use of Proposition 99 funds that are to be used for the protection and enhancement of fish, waterfowl and wildlife habitat areas

I am deleting the $128,000 legislative augmentation for the Department to conduct a study on alternatives to depredation for Black Bears who damage redwood trees This study is unnecessary as a similar evaluation has already been conducted that identified alternatives to killing bears who eat the redwood trees when they emerge from hibernation

I am deleting Provision 1 to conform to this action

I am also deleting the $500,000 legislative augmentation that would provide eight additional staff for the purpose of increasing the number of timber harvest plan reviews the Department of Fish and Game conducts every year This augmentation is not consistent with the way in which this program is currently administered, whereby funding is provided to the Department of Fish and Game as reimbursements from the California Department of Forestry and Fire Protection. In addition, I have no basis upon which to approve this augmentation, as sufficiently detailed workload information has not been provided to justify this augmentation.

Item 3600-001-786—For support of Department of Fish and Game I reduce this item from $4,935,000 to $4,000,000.

I am deleting the $935,000 legislative augmentation to construct a fish ladder at the Healdsburg Dam on the Russian River in Sonoma County because I do not believe that the Legislature's proposal requires the County to assume sufficient financial responsibility for the impact of its dam Further, the legislative action does not address the County's responsibility for ongoing operation and maintenance costs

Item 3600-301-786—For capital outlay, Department of Fish and Game I delete this item.

I am deleting $350,000 for preliminary plans for an Experimental Native Trout and Wild Steelhead Hatchery This project should be submitted during the budget development process so that the proper level of funding and well-defined scope may be determined.

Item 3640-001-447—For support of Wildlife Conservation Board I delete Provisions 1 and 2

I am deleting Provision 1 because this language is unnecessarily restrictive. It would require the Wildlife Conservation Board to acquire a 480 acre parcel at the Big Creek Reserve This would restrict the Board's authority to consider other alternatives which may prove to be beneficial and less costly to the State. I believe that requiring a specific acquisition interferes with the Board's ability to negotiate the best price and would invariably result in increased costs to the State

I am deleting Provision 2 because this language is also unnecessarily restrictive. It would require the Board to restore trout habitat at Malibu Creek This would restrict the Board's traditional authority to consider other alternatives which may prove to be a higher priority for the expenditure of limited funds

Item 3640-301-235—For capital outlay, Wildlife Conservation Board I reduce this item from $6,100,000 to $5,500,000 by deleting

(4) 80.10 134-Creighton Ranch Preserve-Acquisition ($600,000)

I am deleting the $600,000 legislative augmentation for Creighton Ranch Preserve-Acquisition This project should be submitted for consideration during the budget development process for review and evaluation in the context of statewide priorities for the Board and this fund source

Item 3680-101-036—For local assistance, Department of Boating and Waterways I reduce this item from $2,250,000 to $1,000,000 by deleting

(b) San Francisco Fisherman's Wharf, Hyde Street Marina Project ($1,250,000).

I am deleting the $1,250,000 legislative augmentation for the San Francisco Fisherman's Wharf, Hyde Street Marina Project, because funding for this project should not be a State responsibility This is a cost which should properly be borne by the Port of San Francisco.

Item 3680-101-516—For local assistance, Department of Boating and Waterways I reduce this item from $30,666,000 to $30,641,000 by reducing:

(c) Boating safety and enforcement from $3,225,000 to $3,200,000

I am reducing this item by $25,000 to eliminate a legislative augmentation for boating enforcement patrol at Turlock Lake It is my understanding that the County of Stanislaus has not submitted to the Department of Boating and Waterways the necessary application to be considered for boating enforcement financial assistance from the State as required by existing law.

Item 3720-001-001—For support of California Coastal Commission. I reduce this item from $6,469,000 to $5,818,000 by adding

Unallocated Reduction —$651,000.

I am deleting the $651,000 legislative augmentation to restore the California Coastal Commission's unallocated reduction I do not believe that this General Fund augmentation is of sufficiently high priority to justify the use of limited state resources and is inconsistent with the need to protect vital programs and to provide for a prudent reserve for economic uncertainties.

Item 3760-301-235—For capital outlay, State Coastal Conservancy. I delete this item and Provision 1

I am deleting this item because these projects should be submitted for consideration during the budget development process for review and evaluation in the context of statewide priorities for the Conservancy and this fund source

I am deleting Provision 1 to conform to this action.

Item 3760-303-140—For capital outlay, State Coastal Conservancy I delete this item

I am deleting the $15,000 legislative augmentation for the expansion of the Fishing Fleet exhibit This project should be submitted for consideration during the budget development process for consideration of funding in the context of statewide needs and priorities for the Conservancy

Item 3790-001-001—For support of Department of Parks and Recreation I revise this item from $83,344,000 to $83,124,000 by reducing

(a) 100000-Personal Services from $108,457,000 to $108,264,000,

(b) 300000-Operating Expenses and Equipment from $50,010,000 to $49,856,000,

(c) 400001-Special Item of Expense—Rehabilition of Camping Facilities from $300,000 to $200,000,

(dx) Amount payable from Special Account for Capital Outlay (Item 3790-001-036) from —$3,010,000 to —$3,000,000,

(g) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392) from —$48,148,000 to —$47,951,000,

and by deleting

(dy) Amount payable from the Environmental License Plate Fund (Item 3790-001-140) (—$20,000),

and by deleting Provision 1

I am deleting the $220,000 legislative augmentation and 4 5 personnel years to increase staff at Olompali State Historical Park I believe an increase in staff at this park is premature because the entrance road to and from the park has not been completed

I am deleting Provision 1, which restricts the right of the City of Santa Monica to evict the current concessionaire from 415 Pacific Coast Highway, because it contravenes the City's authority as a State agent to expedite development of the site for the purpose of increasing public access

I am revising this item to conform to the actions taken in Items 3790-001-036, 3790-001-140, and 3790-001-392.

Item 3790-001-036—For support of Department of Parks and Recreation I reduce this item from $3,010,000 to $3,000,000

I am deleting the $10,000 legislative augmentation for a study at Napa-Solano Skyline Project The need for these funds has not been justified through the budget development process

Item 3790-001-140—For support of Department of Parks and Recreation I delete this item

I am deleting the $20,000 legisaltive augmentation for the North Central California Heritage, Openspace, and Trails Mapping Project Funds were appropriated for this purpose in 1979 and have continued to be available through the 1988–89 fiscal year. There has been sufficient opportunity and resources available for this project for ten years and the project has still not been completed I do not believe another appropriation for this project has been justified.

Item 3790-001-235—For support of Department of Parks and Recreation I delete this item and Provision 1

I am deleting Provision 1 as a technical correction to the Budget Bill in order to conform to legislative action related to a proposed feasibility study for acquisition of the Town of Locke in Sacramento County.

Item 3790-001-392—For support of Department of Parks and Recreation. I reduce this item from $48,148,000 to $47,951,000

I am deleting the $100,000 legislative augmentation for the Inmate Labor Program rehabilitation of camp facilities I have included $200,000 in the base budget of the department for this program and I believe there is adequate funding to address the highest priority needs for this program

I am deleting the legislative augmentation of $50,000 and 2 2 personnel years to provide additional lifeguards in the Pajaro Coast District along the Central California Coast and the $47,000 and 1 4 personnel years to increase staff at Mitchell Caverns State Preserve I believe the need for additional staff at State recreational facilities should be justified through the budget development process

Item 3790-101-036—For local assistance, Department of Parks and Recreation I delete this item and Provision 1

I am deleting the $5,371,000 legislative augmentation because these projects should be submitted through the budget development process and compete for other funding sources which are available for local park projects I believe the Special Account for Capital Outlay (SAFCO) should be made available for higher statewide priorities for which alternative funding sources are not available It is my intention to retain the reserve in SAFCO which results from this and other actions on this fund to meet the State's more urgent capital needs

I am deleting Provision 1 to conform to this action.

Item 3790-101-140—For local assistance, Department of Parks and Recreation I reduce this item from $505,000 to $300,000 by deleting

(3) 50 20 140.903-Youth Science Institute, Los Gatos Discovery Center-renovation and development ($150,000),

(4) 50 20 140 905-City of Santa Barbara, Santa Barbara Zoological Gardens ($55,000)

I am deleting the legislative augmentations of $150,000 for Youth Science Institute, Los Gatos Discovery Center-renovation and development, and $55,000 for City of Santa Barbara, Santa Barbara Zoological Gardens because neither project successfully completed the statutory review process for funding from the Environmental License Plate Fund

These projects should be submitted for consideration during the budget development process so they can be reviewed and evaluated in the context of competing needs for this funding source

Item 3790-101-236—For local assistance, Department of Parks and Recreation I delete this item

I am deleting the $1,500,000 legislative augmentation which is consistent with my actions taken in other items of appropriation from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund I believe the allocation of funds from this account should be made by separate legislation after a comprehensive review of competing needs

Item 3790-101-786—For local assistance, Department of Parks and Recreation I reduce this item from $123,042,000 to $122,967,000 by reducing

(11) 50 20 786 707-Apple Valley Recreation and Park District-Papago Park Development Project from $176,000 to $101,000

I am reducing this item by $75,000 by reducing the local assistance grant for Apple Valley Recreation and Park District-Papago Park Development Project to $101,000, the amount the district is entitled to under the per capita grant allocation formula.

Item 3790-102-235—For local assistance, Department of Parks and Recreation. I delete this item and Provisions 1, 2, 3 and 4

I am deleting this item because these projects should be submitted through the budget development process so they can be prioritized against other similar local park projects I proposed to transfer $7,500,000 annually from the Proposition 99, Public Resources Account to the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program in order to allocate these limited funds on an established formula basis The Legislature, instead, chose to fund 23 individual local assistance projects for a total expenditure of $8,622,000 I believe the allocation of these funds on a statewide formula basis is a more equitable use of the funds

I am deleting Provisions 1, 2, 3 and 4 to conform to this action

Item 3790-102-733—For local assistance, Department of Parks and Recreation I delete this item and Provisions 1, 2, 3, 4, and 5

I am deleting the $2,800,000 legislative augmentation for two local assistance grants from the State Beach, Park, Recreational, Historical Facilities Fund of 1974. These projects should be submitted for consideration during the budget development process so they can be reviewed and evaluated in the context of competing needs for this fund source

I am deleting Provisions 1, 2, 3, 4 and 5 to conform to this action.

Item 3790-301-036—For capital outlay, Department of Parks and Recreation I delete this item

I am deleting this item because these projects should be submitted through the budget development process so they can be reviewed and evaluated in the context of competing needs among state parks from other available funding sources I believe the Special Account for Capital Outlay should be available for higher statewide priorities for which alternative funding sources are limited or not available

Item 3790-301-235—For capital outlay, Department of Parks and Recreation I reduce this item from $8,837,000 to $4,362,000 by deleting·

(4) 90 CO 400-Wilder Ranch SP—Gray Whale Ranch—Acquisition ($2,195,000),

(5) 90 FU 105-California Citrus State Historic Park-Immediate Public Use Facilities—Preliminary plans, working drawings, and construction ($500,000),

(6) 90 H4 110-Mt San Jacinto State Park-Tramway Station—Stabilize Foundation ($60,000),

(7) 90 6X 501-Napa-Solano Skyline Project Acquisition ($820,000), and

(8) 90 8D 400-Donner Memorial SP Expansion ($900,000)

I am deleting these projects because they should be submitted for consideration through the budget development process so they can be reviewed and evaluated in the context of competing needs among State Parks and from other available fund sources

Item 3790-301-236—For capital outlay, Department of Parks and Recreation I delete this item

I am deleting the $4,255,000 legislative augmentation which is consistent with my actions taken in other items of appropriation from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund I believe the allocation of funds from this account should be made by separate legislation after a comprehensive review of competing needs

Item 3790-301-263—For capital outlay, Department of Parks and Recreation. I reduce this item from $7,337,000 to $6,537,000 by deleting·

(3 5) 90 EH.106-Hungry Valley SVRA Quail Canyon OHV Fair-Preliminary plans, working drawings, and preliminary site preparation ($800,000)

I am deleting the $800,000 legislative augmentation for the Hungry Valley SVRA· Quail Canyon OHV Fair-Preliminary plans, working drawings, and preliminary site preparation This project should be submitted for consideration during the budget development process so that a proper level of funding and a well-defined scope may be determined

Item 3790-301-392—For capital outlay, Department of Parks and Recreation. I reduce this item from $755,000 to $95,000 by deleting

(2) 90 AC 605-Old Sacramento SHP Museum of Railroad Technology-preliminary plans and agency retained items ($660,000)

I am deleting funding for the preliminary plans and agency retained items for the Museum of Railroad Technology at Old Sacramento SHP I believe that this proposed project should not proceed until the priority, scope, cost and funding source have been determined.

Item 3790-301-721—For capital outlay, Department of Parks and Recreation I reduce this item from $5,727,000 to $3,029,000 by deleting.

(2) 90 5X 105—Marconi Property-Construction and site improvements ($425,000),

(5) 90 CS.401—South Monterey Bay Dunes, Del Monte Dunes, Ponderosa Property-Acquisition ($2,273,000),

and by deleting Provision 2

I am deleting the legislative augmentations of $425,000 for the Marconi Property-Construction and site improvement, and $2,273,000 for South Monterey Bay Dunes, Del Monte Dunes, Ponderosa Property-Acquisition.

These projects should be submitted through the budget development process so they can be reviewed and evaluated in the context of competing needs for this funding source In addition, $300,000 for the Marconi Property project planning is proposed for reappropriation in 1989–90 I believe it is premature to appropriate additional funds for construction of this project until the project planning has been completed

I am deleting Provision 2 to conform to this action

Item 3790-301-722—For capital outlay, Department of Parks and Recreation I reduce this item from $10,034,000 to $7,899,000 by reducing

(10 5) 90.94 601-Stanford House SHP Historic Preservation—Preliminary plans and working drawings from $495,000 to $160,000

and by deleting

(6 5) 90 CO 400-Henry W Coe SP Redfern property-Acquisition ($1,800,000)

I am reducing this item by the $335,000 legislative augmentation for the Stanford House SHP Historic Preservation-Preliminary plans and working drawings I have proposed $160,000 for preliminary plans for this project I believe an appropriation for working drawings is premature and should be considered during the budget development process so that the proper level of funding for the working drawing phase may be determined

I am deleting the $1,800,000 legislative augmentation for Henry W Coe SP Redfern property-Acquisition This project should be submitted for consideration during the budget development process so it can be reviewed and evaluated in the context of competing needs for this fund source

Item 3790-301-786—For capital outlay, Department of Parks and Recreation. I reduce this item from $16,465,000 to $9,016,000 by deleting

(14) 90 EC 101-Kenneth Hahn SRA—Preliminary Plans, Working Drawings, and Construction ($3,510,000),

(15) 90 8L 105-New State Indian Museum—Preliminary Plans, Working Drawings, and Construction ($1,000,000),

(16) 90 IJ 400-Old Town San Diego SHP—Bohannon Pottery Village—Acquisition ($2,733,000), and

(19) 90 RS 115-Sno-Park Program—Minor Capital Outlay ($206,000)

I am deleting the legislative augmentations of $3,510,000 for Kenneth Hahn SR—Preliminary Plans, Working Drawings, and Construction, $1,000,000 for New State Indian Museum—Preliminary Plans, Working Drawings, and Construction, and $206,000 for Sno-Park Program—Minor Capital Outlay. These projects should be considered through the budget development process so that the proper level of funding and a well-defined scope may be determined

I am deleting the legislative augmentation of $2,733,000 for Old Town San Diego SHP—Bohannon Pottery Village—Acquisition I proposed funding for this project from the State Beach, Park, Recreation, and Historical Facilities Fund of 1974 because, as an acquisition project, this was a more appropriate funding source

Item 3790-490—Reappropriation, Department of Parks and Recreation I revise this item by deleting

036—Special Account for Capital Outlay.

(3) Section 1, Chapter 1548, Statutes of 1984, as reappropriated by Item 3790-490-036(4), Budget Act of 1988, John Marsh Home-restoration, provided that the amount reappropriated shall not exceed $500,000,

(4) Item 3790-301-036 (12 2), Budget Act of 1985, as reappropriated by Item 3790-490-036(6), Budget Act of 1988, 90 HO.400, Rancho Buena Vista-acquisition, provided that the funds shall be expended for acquisition of the Sunset Del Mar property adjacent to Torrey Pines State Reserve, and

722—Parklands Fund of 1984

(29) Item 3790-301-722 (20 2), Budget Act of 1985, as reappropriated by Item 3790-490-722(14) Budget Act of 1988, 90.5N 500 851-Mount Diablo SP-Communications tower study, provided that the department shall have the ability to consider the problems of consolidation in a broad and inclusive manner

I am deleting the reappropriation of Section 1, Chapter 1548, Statutes of 1984, as reappropriated by Item 3790-490-036(4), Budget Act of 1988, John Marsh Home-restoration, provided that the amount reappropriated shall not exceed $500,000, because the funds proposed for reappropriation are insufficient to complete the project The project should be resubmitted for consideration during the budget development process in order to determine the appropriate scope and funding level

I am deleting the reappropriation of Item 3790-301-036 (12 2), Budget Act of 1985, as reappropriated by 3790-490-036(6), Budget Act of 1988, 90 HO.400-Rancho Buena Vista-acquisition, provided that the funds shall be expended for acquisition of Sunset Del Mar property adjacent to Torrey Pines State Reserve because I believe this new project should be submitted through the budget development process so it can be considered in the context of competing needs among state parks

I am deleting the reappropriation of Item 3790-301-722 (20 2), Budget Act of 1985, as reappropriated by Item 3790-490-722(14), Budget Act of 1988, 90 5N 500 851-Mount Diablo SP-communications tower study because the initial information from a professional consultant indicates that tower consolidation is not feasible because of legal and ownership constraints Further studies would not be an effective use of state funds

Item 3810-301-236—For capital outlay, Santa Monica Mountains Conservancy I delete this item and Provision 1

I am deleting the $500,000 legislative augmentation which is consistent with my actions on other items of appropriation from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund I believe the allocation of funds from this account should be made by separate legislation after a comprehensive review of competing needs

I am deleting Provision 1 to conform to this action.

Item 3810-301-722—For capital outlay, Santa Monica Mountains Conservancy. I delete this item and Provision 1

While these may be meritorious acquisition projects, I am deleting this item because there are insufficient funds available in the Parklands Fund at this time to fund these projects

I am deleting Provision 1 to conform to this action

Item 3860-001-001—For support of Department of Water Resources I revise this item by deleting Provision 2

I am deleting Provision 2 which would require the Department to provide notification to the Legislature 30 days prior to the expenditure of funds under the continuous appropriation authorized by Water Code Section 12937(b) (4) I am deleting this provision because it unduly restricts the Executive Branch in managing the program and I do not believe it is appropriate to place in the Budget Act restrictions which are inconsistent with powers granted to the Department by the voters when they approved the Burns-Porter Act of 1960

Item 3860-101-235—For local assistance, Department of Water Resources I delete this item

I am deleting the $60,000 legislative augmentation for studies of the recreational benefits of the Terminus, Lake Success, and Kaweah reservoirs because I do not believe that these studies qualify for funding from the Cigarette and Tobacco Tax Products Surtax Fund, Public Resources Account, established by Proposition 99

Item 3940-001-001—For support of State Water Resources Control Board. I revise this item by reducing.

(a) 10-Water Quality from $71,100,000 to $68,512,000,

and by deleting

(fx) Amount payable from Special Account for Capital Outlay (Item 3940-001-036) (−$258,000),

(fz) Amount payable from California Water Fund (Item 3940-001-144) (−$2,255,000),

(gx) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-236) (−$75,000),

and by deleting Provisions 1 and 2 to conform to this action.

I am deleting the $258,000 legislative augmentation, payable from the Special Account for Capital Outlay, for oversight of cleanups of underground tanks in the Silicon Valley While the proposed project may be meritorious, it is not of sufficient statewide priority to justify the use of limited tidelands oil revenues.

I am deleting the $2,255,000 legislative augmentation, payable from the California Water Fund, for four programs. solid waste assessment, reports on drinking water contamination, South San Francisco Bay waste allocation model and landfill liner regulations These programs are not of sufficiently high priority to justify the use of limited state resources

I am deleting the $75,000 legislative augmentation, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund, to provide additional staffing for the San Diego Interagency Panel This proposal is not of sufficient statewide priority to justify the use of limited funds from the Unallocated Account

I am deleting Provisions 1 and 2 to conform to this action

Item 3940-001-036—For support of the State Water Resources Control Board I delete this item

I am deleting this item to conform to the action I have taken in Item 3940-001-001

Item 3940-001-144—For support of the State Water Resources Control Board I delete this item

I am deleting this item to conform to the action I have taken in Item 3940-001-001

Item 3940-001-236—For support of the State Water Resources Control Board I delete this item

I am deleting this item to conform to the action I have taken in Item 3940-001-001.

Item 3940-101-235—For local assistance, State Water Resources Control Board I delete this item.

Funding for this local assistance project at Lake Merced should be submitted through the budget development process so that it may be reviewed and evaluated in the context of competing needs for this fund source

Item 4100-001-890—For support of the State Council on Developmental Disabilities I reduce this item from $5,501,000 to $5,462,000 by reducing· (c) 30-Allocation to Area Boards from $2,417,000 to $2,378,000

I am reducing this item by $39,000 thereby eliminating the salary savings reduction proposed by the Legislature for the Area Boards on Developmental Disabilities This action conforms to the reduction taken in Item 4110-001-001

Item 4110-001-001—For support of Area Boards on Developmental Disabilities I revise this item by reducing·

(a) 10-Area Board Services from $2,417,000 to $2,378,000, and

(b) Reimbursements from −$2,417,000 to −$2,378,000

I am deleting the legislative augmentation of $39,000 and 0 9 personnel years to provide a reduction in salary savings. The salary savings rate reflected in the current budget is consistent with the historical salary savings rate for this agency As there are many variables which impact a department's salary savings rate, I believe it is more appropriate to deal with salary savings issues during the development of the annual financial plan

Item 4120-101-001—For local assistance, Emergency Medical Services Authority I reduce this item from $3,191,000 to $2,857,000 and delete Provision 2

I am deleting the $334,000 legislative augmentation that would have provided additional State support for specified local emergency medical service regions as insufficient evidence has been presented to justify the need for added State funding

I am sustaining language added to Item 4120-001-001 in Provisions 2 and 3 that is intended to assist underfunded regions maintain a basic level of program with available local and State funding

I am deleting Provision 2 to conform to this action

Item 4170-101-001—For local assistance, Department of Aging. I reduce this item from $36,273,000 to $32,973,000 by reducing

(c) 30-Supportive Services and Centers (for match) from $27,979,000 to $27,679,000,

(d) 40-Special Projects from $33,592,000 to $30,592,000, and by deleting Provisions 5 and 7

I am deleting the $300,000 legislative augmentation to expand services provided by the long-term care Ombudsman program The Ombudsman program is currently meeting the statutory requirement related to investigations of elder abuse While I appreciate the efforts of this program and the fact that additional resources would be used to expand the number of volunteers, I believe that an increase is not supportable at this time

I am deleting the $300,000 legislative augmentation to expand the Linkages program The recent evaluation of the Linkages program which recommended that low income individuals be served on a priority basis and that a sliding fee schedule be implemented will assist in expanding existing resources to serve additional needy clients Consequently, considering the many demands for limited state resources, I believe that a further increase is not supportable at this time

I am deleting the $100,000 legislative augmentation to provide resources to maintain a 40 client to one case manager ratio in the Multipurpose Senior Services Program (MSSP) I have provided $21,900,000 ($10,900,000 General Fund) for support of the 22 MSSP sites which is sufficient to ensure that all 22 MSSP sites maintain adequate staffing to client ratios for MSSP case management services Consequently, I do not consider this augmentation necessary to maintain the proposed ratio

I am deleting Provision 5 to conform to this action

I am reducing this item from $1,200,000 to $600,000 for Alzheimer Day Care Resource Centers (ADCRC)

I am sustaining $600,000 to establish ten additional ADCRC's which will increase the number of centers from 26 to 36 This level of funding will provide an increase of 32 6 percent over 1988–89

I am deleting the $2,000,000 legislative augmentation to expand respite care services or to subsidize the participation of low-income clients in ADCRC By funding an increase from 26 to 36 centers I am providing this program a 32.6 percent increase over the last fiscal year I believe these additional resources should be prioritized to provide participation of needy low-income individuals In addition, I have supported efforts to broaden the availability of respite care services through technical assistance, education and coordination of available resources in the Department of Aging. Given my efforts in this area, I do not believe a further increase is appropriate at this time

I am deleting Provision 7 to conform to this action

Item 4200-101-001—For local assistance, Department of Alcohol and Drug Programs I reduce this item from $85,421,000 to $73,421,000 by reducing

(b) 20-Drug Program from $113,432,000 to $101,432,000,

and by deleting Provision 10

I am deleting the legislative augmentation of $12,000,000 for intravenous drug user (IVDU) treatment My proposed Budget includes $18,400,000 for IVDU treatment, an increase of $7,200,000 over the 1988–89 level (a 60 percent increase) This increase is attributable to the fact that the 1988 Federal Anti-Drug Act requires that 50 percent of the Federal Fiscal Year (FFY) 1989 Substance Abuse Supplement funds be targeted to IVDU In FFY 1990, this requirement will apply to the entire Drug Program share of the Federal Alcohol and Drug Abuse and Mental Health Administration block grant, resulting in a further augmentation of IVDU treatment funding of approximately $7,500,000 Therefore, I believe it would be inappropriate to allocate additional limited State resources for this purpose

I am deleting Provision 10 to conform to this action

Item 4200-101-890—For local assistance, Department of Alcohol and Drug Programs

I am deleting Provisions 7, 8, and 9

I am deleting Provision 7 because it provides for the use of federal funds in a manner that conflicts with federal law. Provision 7 requires the Department of Alcohol and Drug Programs to work with the Department of Social Services to provide child care in conjunction with treatment services, and to use up to $500,000 in federal funds for this purpose According to the Federal Alcohol and Drug Abuse and Mental Health Administration, child care services may only be funded if they are incidental to the provision of alcohol and drug abuse services, and requiring an expenditure of up to $500,000 would make such services more than incidental However, I recognize the necessity of providing child care services for some individuals in treatment

I am, therefore, directing the department to ensure that its contractors provide such services in a cost effective manner when needed and to the extent permitted by federal law

I am deleting Provision 8 because it is unnecessarily restrictive This language would require the department to spend $8,946,000 to fund perinatal substance abuse projects in eight counties The Budget which I submitted proposed to fund five pilot projects in four counties at a cost of $4,946,000 The Legislature has proposed to nearly double the size of the project before the first pilot is initiated, much less evaluated This augmentation is consequently premature Furthermore, this language would require the department to redirect $4,000,000, or 40 percent, of the funds set aside to provide for the unmet substance abuse treatment needs of all counties in order to fund perinatal projects in only four counties Given the fact that the perinatal pilots have not yet begun, it is inappropriate to restrict the department's ability to carry out its responsibilities for addressing all of California's substance abuse needs

This action conforms to the action I have taken in Items 4260-113-890 and 5180-151-001

I am deleting Provision 9 to conform to my action in deleting Provision 8 Provision 9 would redirect $63,000 from the Department's budget for unmet needs in order to fund a position to handle the workload associated with expanding the number of counties participating in the perinatal substance abuse program Since I am vetoing the program expansion, there will be no need for additional staff This action conforms to the action I have taken in Items 4260-113-890 and 5180-001-001

Item 4260-001-001—For support of Department of Health Services I reduce this item from $160,537,639 to $155,867,639 by reducing

(a) 100000-Personal Services from $192,809,237 to $190,194,237,

(b) 300000-Operating Expenses and Equipment from $156,889,416 to $154,236,416,

(r) Amount payable from the Federal Trust Fund (Item 4260-001-890) from −$115,803,014 to −$115,205,014,

and by deleting Provisions 6, 10, 11, 13, 15, 17 and 18

I am deleting the legislative augmentation of $400,000 and 6.6 personnel years for restoration of Local Program Development activities of the Department of Health Services. My proposed Budget eliminated these positions and an associated $400,000 because this discretionary program was determined to be of lesser priority than other higher priority departmental programs This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting the $1,213,000 legislative augmentation to reduce departmental salary savings to 9 6 percent, by reducing this Item by $655,000 and taking a corresponding action in Item 4260-001-890 by reducing $558,000 in federal funds As there are many variables which impact a department's salary savings rate, I believe it is more appropriate to deal with salary savings issues during the budget development process

I am deleting the $200,000 legislative augmentation to establish and maintain an asbestos registry program This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 6 to conform to this action

I am reducing this item by $1,000 and deleting Provision 10 which would require the Department to develop a report for the Legislature and to revise and expand the composition of the California AIDS Leadership Committee This language is an infringement on the Executive Branch's authority and dictates the composition of an administratively established advisory committee The selection of members to the committee is more appropriately the responsibility of the Director of the Department of Health Services The organization of the Committee should be determined by the Director in a manner which best meets the needs of the Department and the overall goals and objectives of the program

Although no funding was provided for the work load associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved on vetoing language contained in Provision 10 of this item

I am deleting the $1,000,000 legislative augmentation for continuation of the AIDS Vaccine Research and Development Program This augmentation is duplicative and unnecessary Assembly Bill 2156 would appropriate $1,911,000 from the AIDS Vaccine Research and Development Grant Fund to the Department for the purpose of continuing the program AB 2156 proposes the appropriate funding source for the program and should be used as the vehicle for continued authorization

I am deleting Provision 11 to conform to this action.

I am reducing this item by $17,000 and making a corresponding reduction in Item 4260-001-890 by reducing $40,000 in federal funds to reflect deletion of one Nurse Consultant position to perform utilization control in three counties formerly served by the Redwood Health Foundation Staffing standards for this purpose were jointly established by the Department of Health Services and the Department of Finance in 1985 These staffing standards for Medi-Cal field offices are based on the staff needed to maintain the statutory five day average turnaround time in relationship to TAR volume The workload analysis based on these staffing standards indicates that a total of seven additional positions are required to perform prior authorization functions previously performed by the Redwood Health Foundation With the phase-out of contract management responsibility for the Redwood Health Foundation contract, a position will be available to redirect for the increased utilization review activities Consequently, six new positions are needed, whereas the Budget Bill provides seven new positions Consequently, I am deleting one position and the corresponding funds to reflect the established staffing standards

I am reducing this item by $1,000 and deleting Provision 13 which would increase the workload for the Department of Health Services by requiring the Department, along with the Department of Social Services, to work with counties and to submit a report to the Legislature on activities to reduce county error rates in determining Medi-Cal eligibility The Department of Health Services, as required by the federal government, currently monitors and has procedures to limit county error rates These procedures include a corrective actions program, as well as the authority to sanction counties when necessary

Failure by the State to maintain rates below federal standards could result in the disallowance of federal financial participation Therefore, this language is unnecessary and would increase departmental costs for preparation of the required report by at least $1,000 In addition, this language would be difficult to implement because it does not differentiate between case error rates and dollar error rates I am taking corresponding action by deleting Provision 8 in Item 5180-101-001, for local assistance, Department of Social Services

Therefore, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 13 of this item which would require the Department to submit a report on activities to reduce county error rates.

I am reducing this item by $1,000 and deleting Provision 15 which requires that the Department of Health Services report to the Legislature by March 1, 1990 on 1) its efforts to maximize Medi-Cal recoveries, 2) a comparison of recoveries with those of other states, and 3) an assessment of what, if any, additional resources would be necessary to increase recoveries by 10 percent Because of the Department's past and current efforts to promote cost avoidance, it is anticipated that a leveling-off of third party liability recoveries will occur The projected combined total of recovery and cost avoidance is $73,000,000 for 1989–90 Over the last three years, recoveries have increased by more than 50 percent Therefore, while a 10 percent increase in recoveries is possible, I am opposed to budget language which would establish an arbitrary target This language would not assist the Department in increasing recoveries, and creates additional costs related to preparing the report of at least $1,000

Although no funding was provided for the workload associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 15 of this item

I am deleting the legislative augmentation of $400,000 and 12 3 personnel years that would have provided funding for additional sanitarians for local community health services The 1989–90 Governor's Budget provides $2,900,000 General Fund and 41 personnel years to provide local public health services to counties with populations less than 40,000

I am deleting Provision 17 to conform to this action

I am deleting the legislative augmentation of $1,000,000 which would have required the Department of Health Services to expand and establish AIDS prevention programs in county jails pursuant to Chapter 1301, Statutes of 1988 Chapter 1301 requires county sheriffs, the California Department of Corrections, and the California Youth Authority to provide inmates and wards with information about behavior that places a person at high-risk for contracting the Human Immunodeficiency Virus (HIV) and about the prevention of the transmission of AIDS The statute also requires sheriffs, probation officers, the California Department of Corrections, and the California Youth Authority to provide those persons with information regarding AIDS testing and related services The statute provided no funding for its implementation and specified that implementation would be contingent upon annual Budget Act appropriations for the program

I am deleting Provision 18 to conform to this action

The revised 1989–90 Governor's Budget proposes $128,545,000 for AIDS-related program activities statewide This represents a 32 3 percent increase over the 1988–89 AIDS Budget Included in the 1989–90 Budget is funding specifically for information and education activities These funds are available for the education of inmates, wards, and employees of these institutions and have been allocated by the Office of AIDS based upon need This level of funding and method of allocation is appropriate

I am reducing this item by $995,000 and 15 1 personnel years to conform to the action I have taken in reducing the augmentation for the Office of Family Planning in Item 4260-111-001

Item 4260-001-890—For support of Department of Health Services I reduce this item from $115,803,014 to $115,205,014

I am reducing this item by $40,000 to reflect the deletion of one Nurse Consultant position (0 9 personnel year) to perform utilization control functions in three counties formerly served by the Redwood Health Foundation to conform to my action on this issue in Item 4260-001-001

I am reducing this item by $558,000 to reflect the deletion of a legislative augmentation for a reduced salary savings rate of 9 6 percent to conform to the action I have taken in Item 4260-001-001

Item 4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program. I reduce this item from $3,348,999,000 to $3,313,024,000 by reducing

(a) 50 11-Benefits (Medical Care and Services) from $6,570,648,000 to $6,498,460,000,

(c) 50 50-Fiscal Intermediary Management from $53,368,000 to $53,367,000,

(d) Amount payable from the Federal Trust Fund (Item 4260-101-890) from −$3,454,414,000 to −$3,418,200,000,

and by deleting Provisions 20, 22 and 23

I am reducing this item by $10,000,000 and taking a corresponding action in Item 4260-101-890 by reducing $10,000,000 in federal funds to reflect deletion of the legislative augmentation for prescription drug expenditures The Budget I submitted included savings of $40,000,000 ($20,000,000 in this item and $20,000,000 in federal funds in Item 4260-101-890) in Medi-Cal prescription drug expenditures to reflect a program of negotiated rebates from drug manufacturers based on the volume of drugs sold to the Medi-Cal program annually Currently, the Medi-Cal program does not receive discounts or rebates of any kind from manufacturers, despite the fact that Medi-Cal spends in excess of $500 million annually for prescription drugs This is one of the fastest growing areas of the Medi-Cal Budget, exceeding the rate of growth for all other benefits, the number of prescriptions approved, and the number of beneficiaries using prescription drugs The federal government has questioned the absence of discounts or rebates in Medi-Cal reimbursements for drug ingredients. Most other health programs receive discounts substantially below the price Medi-Cal pays for the same product, including the Medicaid program in the State of Kansas, the State Department of General Services, the federal Veterans Administration, the Department of Defense, Los Angeles County and many private providers

This augmentation would have restored half the savings proposed I am deleting the $10,000,000 augmentation in this item and $10,000,000 in federal funds in Item 4260-101-890 to reflect the level of savings originally proposed I believe these savings are appropriate, based on the savings which other health programs have achieved in the prescription drug area, and I will continue to support legislation to achieve this program modification

I am reducing this item by $2,098,000 and taking a corresponding action in Item 4260-101-890 by reducing $2,176,000 in federal funds to reflect implementation of my proposal to estimate pharmacists' actual acquisition costs for drug ingredients more accurately The Budget I submitted included savings of $40,000,000 ($20,000,000 in this item and $20,000,000 in federal funds in Item 4260-101-890) to reflect a re-estimate of pharmacy acquisition costs for prescription drugs This proposal did not modify the current Medi-Cal dispensing fee Currently, the Medi-Cal program reimburses pharmacies for drug ingredient costs at the average wholesale price (AWP), which is essentially the list price for the drug, unless another price screen (such as the federal allowable cost, the State maximum allowable ingredient cost or the direct price) requires a lower payment AWP, which is used for about 30 percent of Medi-Cal purchases, however, is substantially above the pharmacy acquisition cost and has been questioned as a pricing standard by the federal government. Recent field studies, which have been completed by the Department of Health Services, indicate that pharmacy actual acquisition costs are 12 percent less than AWP.

This augmentation would have restored three-fourths of the savings proposed. The Department of Health Services' field studies indicate that, based on a reimbursement level of AWP minus 12 percent, an additional $4,274,000 ($2,098,000 General Fund, and $2,176,000 federal funds) can be saved Therefore, I am reducing this item by $2,098,000 and taking corresponding action by reducing Item 4260-101-890 by $2,176,000 Combined with legislative action, this brings the total savings from this issue to $14,274,000 ($7,098,000 General Fund, and $7,176,000 federal funds)

I am reducing this item by $20,000,000 and taking a corresponding action in Item 4260-101-890 by reducing $20,000,000 in federal funds to reflect deletion of the legislative augmentation to provide discretionary rate increases to disproportionate hospitals for outpatient services This item already contains a $5,000,000 augmentation and a corresponding $5,000,000 in federal funds for outpatient rate increases to disproportionate hospitals, effective the second quarter of the 1988–89 Fiscal Year The impact of this augmentation should be evaluated before other rate increases are made An additional augmentation would be premature and would restrict the State's ability to fund other vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 22 to conform to this action

I am reducing this item by $2,715,000 and taking a corresponding action in Item 4260-101-890 by reducing $2,871,000 in federal funds, while retaining an augmentation of $2,716,000 in this item and $2,872,000 in Item 4260-101-890 to provide a discretionary five percent increase in dental rates While the Medi-Cal program has made several systems enhancements for its dental providers recently, these providers have not received a rate increase since the 1985-86 Fiscal Year I believe this is a priority area which should receive the consideration necessary to maintain access consistent with the need to fund other vital programs and provide a prudent reserve for economic uncertainties The Budget Bill contains funding for a 10 percent increase in dental rates I believe an increase of this size is unnecessary, in light of recent systems enhancements including the acceleration of claims payments, the addition of four new toll-free lines, and improved access to patients' history information necessary for billing In addition, an augmentation of this size would limit the State's ability to fund other vital programs and to maintain an adequate General Fund reserve for economic uncertainties Therefore, I am deleting half the legislative augmentation, while sustaining funds to provide a discretionary five percent increase in dental rates

I am reducing this item by $750,000 and taking a corresponding action in Item 4260-101-890 by reducing $750,000 in federal funds to reflect deletion of the legislative augmentation to provide case management services for human immunodeficiency virus (HIV) positive persons This augmentation could not be expended, since both State legislation and federal approval of a State Plan amendment would be required prior to program implementation Although California is a national leader in funding for AIDS treatment and research, much of the emphasis in this augmentation is on social services and is outside the scope of the Medi-Cal program, which is restricted to coverage of those procedures which are medically necessary In many cases HIV positive persons are asymptomatic and do not qualify for Medi-Cal services, including case management

I am reducing this item by $411,000 and taking a corresponding action in Item 4260-101-890 by reducing $417,000 in federal funds to reflect deletion of the legislative augmentation to provide a discretionary five percent rate increase for nonemergency medical transportation providers Medi-Cal beneficiaries who need nonemergency medical transportation services are able to obtain them at current reimbursement rates, and there is insufficient data to suggest that there is an access problem in this area I have authorized rate increases for maternity care, long-term care, and other high priority health care services related to access, federal requirements or State statutory requirements Additional rate increases such as this would restrict the State's ability to fund other important programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 20 which prohibits the Department of Health Services from reducing the dispensing fee for drugs because this language is unnecessarily restrictive The Department of Health Services does not have plans to reduce the dispensing fee In fact, the current dispensing fee is an integral component of my Drug Cost Containment program The Department currently has an administrative process for setting this fee Therefore, I believe it is unnecessary and inappropriate to restrict the fee-setting process in the Budget Act

I am reducing this item by $1,000 and deleting Provision 23 which requires the Department of Health Services to continue to develop and maintain an educational program regarding Medi-Cal reimbursements for a sole practitioner or for practices located in rural or medically underserved areas In addition, the Department of Health Services would be required to report to the Legislature on the status of this program The Department already addresses the need for provider education by providing on-site specialized training and assistance for individuals and groups, continuing an on-going relationship with provider associations, updating provider manuals, and providing toll-free telephone lines Therefore, I am opposed to this provision because it creates redundant responsibilities and additional costs Information about these activities, which are part of the on-going work of the Department, can be obtained without the formal requirement for a report to the Legislature

Although no funding was provided for the additional workload associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 23 of this item.

Item 4260-101-890—For local assistance, Department of Health Services I reduce this item from $3,454,414,000 to $3,418,200,000

I am deleting the $10,000,000 legislative augmentation for prescription drugs, related to my proposal to obtain volume discounts from manufacturers, to correspond to my action on this issue in Item 4260-101-001

I am reducing the $15,000,000 legislative augmentation for prescription drugs by $2,176,000, related to my proposal to reimburse pharmacies for drug ingredients at their actual acquisition costs, to correspond to my action on this issue in Item 4260-101-001

I am deleting the $20,000,000 legislative augmentation to provide discretionary rate increases for disproportionate hospital outpatient services to correspond to my action on this issue in Item 4260-101-001

I am reducing the $5,743,000 legislative augmentation by $2,871,000 to provide a discretionary rate increase in dental rates to correspond to my action on this issue in Item 4260-101-001

I am deleting the $750,000 legislative augmentation to provide case management services for human immunodeficiency virus (HIV) infected persons to correspond to my action on this issue in Item 4260-101-001.

I am deleting the $417,000 legislative augmentation to provide a discretionary five percent rate increase for non-emergency medical transportation providers to correspond to my action on this issue in Item 4260-101-001

Item 4260-111-001—For local assistance, Department of Health Services I reduce this item from $1,291,314,354 to $1,061,959,354 by reducing

(a) 11-Preventive Medical Services from $9,454,000 to $9,124,000,

(b) 15-AIDS from $107,287,000 to $48,858,000,

(c) 20-Family Health Services from $150,590,000 to $116,434,000,

(d) 40-Rural and Community Health from $1,023,983,354 to $887,543,354,

and by deleting Provisions 1, 2(b), 2(e), 2(f), 2(g), 2(h), 2(i), 2(j), 2(l), 3(e), 3(g) (1), 3(g) (2), 3(h), 4(e), 4(f) and 4(g),

and by revising Provisions 2(d) and 2(k)

I am deleting the $330,000 legislative augmentation for the Dental Disease Prevention Program This augmentation represents a discretionary cost-of-living adjustment which I am unable to support and would create inequities among other important programs that are not being provided cost-of-living adjustments due to budgetary constraints

I am deleting Provision 1 to conform to this action

I am reducing this item by $1,000 and deleting Provision 2(b) which would require the Department, by January 1, 1990, to project the cost of treating human immunodeficiency virus (HIV) infected children The language further requires that to the extent costs are less than the $1,100,000 budgeted for treating HIV infected children, the Department shall reallocate the funds for noninstitutionalized treatment services for persons with AIDS or AIDS-related complex This language was included in the 1988 Budget Act with a due date for submission of this data by January 1, 1989, which the Department was unable to meet The due date has proven to be unworkable, because the Department is experiencing a nine to twelve-month lag in receiving the data from the counties who receive funding under this program Therefore, the data are untimely and any information provided to the Legislature would be based on prior-year expenditures Consequently, the Department would be unable to reallocate these funds to noninstitutionalized services

Additionally, I am supporting the reappropriation of unexpended 1988–89 AIDS local assistance funding In doing so, additional funds will be available in the budget year for noninstitutionalized treatment services

Although no funding was provided for the workload associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 2(b) of this item

I am sustaining $3,500,000 of the $40,000,000 legislative augmentation for Early Intervention Services

I am also sustaining $635,000 of the $12,000,000 legislative augmentation for Targeted Case Management activities I have committed to increasing AIDS funding in these two areas in recognition of the importance early intervention and targeted case management play in the overall AIDS effort

I am revising Provisions 2(d) and 2(k) to conform to this action

"(d) Of the amount appropriated in this item, ~~$40,000,000~~ *$3,500,000* shall be allocated for early AIDS intervention including AZT, aerosol pentamidine, and other medications approved for treatment of HIV, and medical, behavioral, and psychosocial services"

"(k) Of the amount appropriated in this item, ~~$12,000,000~~ *$635,000* shall be allocated for targeted case management, home health, hospice, and residential care"

My 1989–90 Budget provides $78,967,000 in General Fund for AIDS programs, statewide. This represents a 10 percent increase over the 1988–89 AIDS Budget When all funding sources are considered, my 1989–90 Budget provides $128,545,000 for AIDS programs, a 32 3-percent increase over the 1988–89 AIDS Budget

I am deleting the $10,000,000 legislative augmentation for increased testing, counseling, and outreach activities Because of the need to protect vital programs and to maintain a prudent reserve for economic uncertainties, I have deleted this augmentation However, as indicated previously, under my Administration, the AIDS budget has and continues to experience significant growth

I am deleting Provision 2(e) to conform to this action

I am deleting the $200,000 legislative augmentation for operating expenses of an AIDS hospice facility in South Central Los Angeles This augmentation is inconsistent with the need to protect vital programs and to maintain a prudent reserve for economic uncertainties Included in the 1989–90 Budget is funding specifically for Home and Community Based Care Pilot Projects These funds are allocated through a Request for Proposal (RFP) process in which all entities compete for available funding I believe this is the most appropriate method of allocation of these funds and do not support augmentations for individual entities outside the RFP process

I am deleting Provision 2(f) to conform to this action

I am deleting the $111,000 legislative augmentation for the establishment of an AIDS education and prevention contract for Sonoma County. This augmentation is inconsistent with the need to protect vital programs and to maintain a prudent reserve for economic uncertainties Included in the 1989–90 Budget is funding specifically for education and prevention contract activities. These funds are allocated through a Request for Proposal (RFP) process in which all entities compete for available funding I believe this is the most appropriate method of allocation for these funds and do not support augmentations for individual entities outside the RFP process

I am deleting Provision 2(g) to conform to this action

I am deleting Provision 2(h) which would require the Department of Health Services to redirect $13,800 from funds allocated for the Alternative Test Site program to instead fund an AIDS pilot care project for the Community Care Management Corporation of Ukiah I believe this language is inappropriate because it redirects funding from a critical program of anonymous testing to provide special consideration and funding to an entity which can compete for funding under another appropriate program My 1989–90 Budget provides funding specifically for pilot care treatment projects under which this corporation may compete Therefore, I do not support any redirections of funding from this critical program of anonymous testing

I am deleting the $250,000 legislative augmentation for operating expenses for an AIDS hospice facility on the grounds of Metropolitan State Hospital. This augmentation is inconsistent with the need to protect vital programs and to maintain a prudent reserve for economic uncertainties. Included in the budget is funding specifically for Home and Community Based Care Pilot Projects, which include hospice facilities These funds are allocated through a Request for Proposal (RFP) process in which all entities compete for available funding I believe this is the most appropriate method of allocation for these funds and do not support augmentations for individual entities outside the RFP process

I am deleting Provision 2(i) to conform to this action

I am reducing this item by $1,000 and deleting Provision 2(j) which would require the Department, by March 31, 1990, to distribute a brochure for providers which outlines the alternatives available for HIV testing, including instructions on how to order and interpret tests This language is unnecessary as the Department already provides training and education for health professionals with respect to AIDS The Department is also currently in the process of developing a brochure specifically for physicians regarding AIDS Although no funding was provided for the workload associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 2(j) of this item

I am reducing this item by $1,000 and deleting Provision 2(l) which would require the Department to expand AIDS outreach and testing to high-risk populations and encourage counties to expand testing in Sexually Transmitted Disease Clinics, drug treatment centers, primary care, and family planning clinics. This language is unnecessary The Department currently provides testing and outreach to high-risk populations in the Alternative Test Sites, Sexually Transmitted Disease Clinics and drug treatment centers Although no funding was provided for the workload associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 2(l) of this item

I am deleting the $1,000,000 legislative augmentation for increased family planning-based AIDS prevention services This augmentation is inconsistent with the need to protect vital programs and to maintain a prudent reserve for economic uncertainties. Included in my 1989–90 Budget is funding specifically for education and prevention activities These funds are available on a competitive basis to various contractors throughout the State, and family planning contractors are eligible to compete for these prevention and education grants

I am reducing the $36,230,000 legislative augmentation for the Office of Family Planning by $24,150,000 by reducing this item by $23,155,000 and making a corresponding reduction in Item 4260-001-001 of $995,000 and 15 1 personnel years. Inasmuch as the budget adopted by the Legislature did not contain a sufficient amount for a prudent reserve, this reduction and other actions were necessary to protect vital programs and to provide for a reserve for economic uncertainties

I am deleting the $4,300,000 legislative augmentation for the Adolescent Family Life Program The Governor's Budget already proposes $6,600,000 in State and federal funds for this program I am therefore vetoing this augmentation because of the need to maintain a prudent reserve for economic uncertainties.

I am deleting the $500,000 legislative augmentation that would have provided additional funding for the Genetically Handicapped Persons Program (GHPP) specifically for Marfan Syndrome and Skeletal Dysplasia The Department can currently add specific conditions to the Genetically Handicapped Persons Program and does so with the advice of the GHPP Advisory Committee .That Committee is presently developing criteria for consideration of new conditions It is, therefore, premature to add any conditions at this time

I am reducing this item by $3,200,000 to reflect a shift in funding from the General Fund to federal funds for the Maternal and Child Health (MCH) program Subsequent to the development of the 1989–90 Budget, the Department of Health Services learned that additional federal funds would be available in 1989–90 for MCH services I am reducing the MCH General Fund budget by $3,200,000 to reflect the availability of these additional federal funds

I am deleting the $2,000,000 legislative augmentation for the California Children's Services (CCS) program for an anticipated increase in county claims beyond that contained in the Department of Health Services' May Revision estimate As is the current practice, to the extent that claims do materialize in excess of the amount budgeted for that purpose, the Department will identify those increases in its subsequent caseload estimate updates

I am reducing this item by $1,000 and deleting Provision 3(e) which requires the Department of Health Services to revise its regulations for the Child Health and Disability Program (CHDP) to require the program to begin services to low-income children up to age six to the extent funds are available This language would place a new program requirement on the Department without providing additional resources Although no funding was provided for the workload associated with this provision, I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing language contained in Provision 3(e) of this item

I am deleting Provision 3(g) (1) which would require the expenditure of $274,000 for the purpose of an evaluation of perinatal substance abuse pilot projects There are sufficient federal funds available for this purpose in Item 4260-113-890

I am deleting Provision 3(g) (2) which would require the expenditure of $200,000 for a contract for the development of a statewide perinatal plan to meet the "Surgeon General's Objectives for the Year 2000 on Infant Mortality" The Maternal and Child Health Program funds appropriated in this item are committed in part for transitional costs associated with Chapter 980, Statutes of 1988, which will incorporate eligible clients up to 185 percent of the federal poverty level into the Medi-Cal program for perinatal services Further, these funds support the provision of perinatal services to eligible clients up to 200 percent of the federal poverty level which are not covered under Medi-Cal

I am deleting Provision 3(h) which requires the Department of Health Services to report to the Joint Legislative Budget Committee in conjunction with the submission of the Governor's Budget, the level of federal MCH funds available, and submit an expenditure plan for any funding in excess of budgeted funds. This provision is unnecessary because the information regarding the level of federal MCH funds for both the current year and budget year is currently provided as part of my annual Budget In addition, I believe the language in this provision is unduly restrictive in requiring an expenditure plan no later than 30 days after submission of the Governor's Budget and in requiring the Department of Finance to submit a Section 28 notification letter no later than 60 days after submission of the plan to the Legislature This language would limit the Administration's ability to examine timeframes and other factors which might be taken into consideration in the development of an expenditure plan for any additional federal MCH funds

I am deleting the $100,000,000 legislative augmentation that would have provided funding to restore a reduction proposed in the Governor's Budget for the Medically Indigent Services Program (MISP) due to claiming of State Legalization Impact Assistance Grant (SLIAG) funding I am reducing this augmentation because the basis for the original reduction is still valid, which is that newly legalized persons (NLPs) are recipients who continue to access the local health care system, however, SLIAG can now be claimed instead of General Fund

In addition, I am reducing $26,597,000 which will be for appropriation pursuant to legislation to allocate the funds back to the 26 MISP counties based on an "equity formula". This funding pool will be available to compensate for inequities between the MISP allocation formula and county SLIAG reimbursement percentages

I am, however, sustaining a $258,734,000 General Fund legislative augmentation for the MISP program The Budget also provides $208,866,000 in SLIAG for the MISP program

I am deleting the $1,000,000 legislative augmentation to restore a General Fund reduction for Primary Care Health Clinics The Governor's Budget proposed reducing this program to capture savings due to the ability to claim SLIAG funds for services previously paid from General Fund resources I am vetoing this augmentation because the basis for the original reduction is still valid, which is that newly legalized persons are continuing to access the local health care system Therefore, SLIAG moneys are appropriately being claimed in lieu of the General Fund

I am deleting the $184,000 legislative augmentation to fund a discretionary beneficiary cost-of-living adjustment (COLA) increase for the County Medical Services Program Funding of a discretionary COLA would create inequities among other important programs that are not being provided COLA's due to budgetary constraints I am, however, sustaining a $5,220,000 General Fund legislative augmentation for the CMSP to reflect estimated caseload increases

I am deleting Provision 4(e) which would require the Department to make $50,000 available for a management assistance grant to the Hupa Health Association to conduct a health care needs assessment I believe this language would result in preferential treatment for one geographic area Furthermore, it has not been demonstrated that this area has a greater need for such a grant than other areas within the State

I am deleting the $500,000 legislative augmentation that would have provided additional funding for the Medically Indigent Services Program in Alameda County due to the closure of Maxicare clinics Because Maxicare was a provider, not a funding source, the existing funding sources are unimpaired by Maxicare's closing. Individuals who were previously treated at Maxicare under Medi-Cal will continue to be covered under Medi-Cal, at other facilities

I am deleting Provision 4(f) to conform to this action

I am deleting the $8,159,000 legislative augmentation provided for the Rural and Community Health Program This augmentation was made by the Legislature to increase funds available to health care clinics I am vetoing this augmentation because of the need to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 4(g) to conform to this action.

Item 4260-113-890—For local assistance, Department of Health Services I am deleting Provisions 1(b), 1(j), and 1(n) and revising Provisions 1(a), 1(c), 1(g), 1(h), 1(m) and 1(o)

Provision 1(b) would have provided $1,000,000 for the provision of information, education, and referral services about sexually transmitted diseases to individuals seeking services through programs administered by the Maternal and Child Health (MCH) Branch I am deleting this provision to make funds available to support existing base MCH programs which the Legislature funded instead from the General Fund I have reduced $3,200,000 in Item 4260-111-001 to conform to this action

Provision 1(j) would have provided for a study to determine outcome measures suitable to evaluate pediatric critical care systems I am deleting this provision to make funds available to support existing base MCH programs

Provision 1(n) would have provided $90,000 to develop a brochure on the risks and benefits of a caesarean delivery versus a vaginal delivery I am deleting this provision to make funds available for base MCH programs

I am revising the language in Provision 1(a) to reduce the amount for various Sudden Infant Death Syndrome (SIDS) projects to $800,000, which the Department of Health Services advises me is sufficient for the purposes of this provision

"a ~~$1,000,000~~ *$800,000* for various Sudden Infant Death Syndrome projects including development of a SIDS autopsy protocol, support services and training for county health officials, public health nurses and law enforcement, family intervention services, parent advisory groups and data assessment "

I am revising the language in Provision 1(c) to provide funds for new and innovative projects to reduce the rate of black infant mortality which the language would have otherwise restricted.

"c $1,440,000 for new and innovative projects to reduce the rate of black infant mortality in California Of this amount, $140,000 may be used to establish one position and support a Black Infant Mortality Committee ~~; and $650,000 shall be used for outreach in Los Angeles housing projects~~ "

I am revising the language in Provision 1(g) to reduce the amount for expansion of the High-Risk Infant Followup program to $1,161,000, which the Department of Health Services advises me is sufficient for the purposes of this provision

"g ~~$1,500,000~~ *$1,161,000* to expand the High-Risk Infant Followup program "

I am revising the language in Provision 1(h) This provision would have provided $740,000 for the Diabetes in Pregnancy Program I am reducing the amount provided for in this provision to $221,000 thereby making $519,000 available to support the existing base MCH program

"h ~~$740,000~~ *$221,000* for the Diabetes in Pregnancy Program, of which ~~$360,000~~ *$105,000* shall be used ~~to establish three new regions, with priority given to those targeting black infant mortality; $105,000~~ to replace SPRANS funds for program evaluation, $100,000 to fund growth in the existing eight regional programs, ~~$35,000 for program education materials; $10,000 for California Diabetes and Pregnancy Program state liaison activities; $80,000 for affiliate development materials and training;~~ and ~~$50,000~~ *$16,000* for ~~affiliate~~ administrative support "

I am revising the language in Provision 1(m) which would have required the implementation of nine perinatal substance abuse pilot projects While I am supportive of efforts in this area, I believe the five pilot projects in four counties I proposed in the Budget will give us an opportunity to identify the most effective and cost efficient means of addressing this critical concern This action conforms to the actions taken in the Departments of Alcohol and Drug Programs and Social Services My revision will provide for a four county perinatal substance abuse pilot program as originally proposed and make available funds to support existing base MCH programs

"m ~~$2,760,000~~ *$1,843,000* for implementation of ~~nine~~ *five* perinatal substance abuse pilot projects in Los Angeles, ~~San Francisco, Kern,~~ Sacramento, ~~Orange,~~ San Diego, *and* Alameda ~~, and Santa Clara~~ counties"

I am revising the language in Provision 1(o) which would have required the establishment of a Black Infant Mortality Leadership Committee with members appointed by myself, the Speaker of the Assembly and the Senate Rules Committee This language is unnecessary because the Department of Health Services is currently in the process of administratively establishing a Black Infant Mortality Leadership Committee Furthermore, this language unnecessarily interferes with the responsibility of the Director of the Department of Health Services in organizing the Department, including the establishment of advisory committees, as he deems appropriate

I am sustaining that portion of the provision which identifies $140,000 for support of the Black Infant Mortality Leadership Committee, as requested in a Department of Finance Letter

"o ~~It is the intent of the Legislature that additional activities be undertaken by the department to reduce the abnormally high mortality rate among black infants~~

~~There shall be established in the department a Black Infant Mortality Leadership Committee. The following members shall be appointed by and serve at the pleasure of the Governor: the Director of Health Services (or designee); the Director of Maternal and Child Health; the Director of Alcohol and Drug Abuse (or designee); the Director of Social Services (or designee); a California County Supervisor (or designee); two local public health officers (or their designees); and a health care professional. The following members shall be appointed by and serve at the pleasure of the Speaker of the Assembly: a member of the State Assembly (or designee); two members of the Black Community Coalition; a consumer or member of a consumer advisory group; a member of the religious community; a health care professional; a pediatrician; and an obstetrician\gynecologist. The following members shall be appointed by and serve at the pleasure of the Senate Rules Committee: a member of the State Senate (or designee); two members of the Black Community Coalition; a consumer or member of a consumer advisory group; a member of the religious community; a health care professional; a pediatrician; and an obstetrician\gynecologist. The Superintendent of Public Instruction (or designee) shall also be a member of the committee.~~

~~The Black Infant Mortality Leadership Committee shall meet as frequently as necessary but no less than six times a year in order to conduct its business. It shall provide advice to and shall be consulted by the department on the establishment of policies, procedures, and programs designed to eliminate the disparity between the black and non/black populations in infant mortality. On or before January 1, 1991, the committee shall develop and present to the Legislature and Governor information which evaluates current programs, assesses current and ongoing needs, contains legislative, programmatic, and funding strategies, and make specific program recommendations regarding the elimination of the disparity between the black and non/black populations in infant mortality.~~

Of the funds appropriated in this item, $140,000 shall be used to support a Black Infant Mortality Leadership Committee ~~and its efforts in producing the information~~"

Item 4260-121-001—For local assistance, Department of Health Services, Chronic Diseases (Alzheimer's Program). I reduce this item from $8,564,000 to $3,564,000, and delete Provisions 1 and 2

I am deleting the following legislative augmentations. $500,000 to provide start up funds for two new diagnostic and treatment centers, $330,000 to supplement the funding for the three new centers established in the 1988–89 budget to provide a funding level of $350,000 per center, $150,000 for departmental administrative costs for monitoring and evaluating centers, $300,000 for innovative projects, and $3,720,000 for Alzheimer's research While I am supportive of efforts in this area, I am unable to support these augmentations due to the need to provide for a prudent reserve for economic uncertainties This program has received substantial funding increases under my Administration The program was established in FY 1984–85 with a funding level of $1,000,000 and has increased to $3,564,000 This represents a 256 percent growth in the program's budget

I am deleting Provisions 1 and 2 to conform to this action

Item 4260-493—Reappropriation, Department of Health Services

I am revising Provision 1 of this item to delete the second paragraph This paragraph would require subjective judgements to initiate its effect and may restrict the Executive Branch's long-term ability to manage the program

"1 (a) The funds appropriated in this item shall be available only for purposes of preliminary plans and a value engineering study for the expansion and remodeling of the Berkeley Public Health Laboratory The Director of Health Services shall notify the chairs of the Joint Legislative Budget Committee and the fiscal committees of each house on or before November 1, 1989, of the department's progress in developing the preliminary plans and value engineering study, including a schedule for their completion If the preliminary plans and value engineering study will not be completed by February 1, 1990, the director shall specify the reasons why and how he or she intends to expedite their completion

~~(b) In the event that the department continues to develop plans to move positions from this or any other Berkeley/area location to Sacramento in a manner which undermines the effectiveness of or slows the progress of, existing programs, this authorization shall be rescinded and the funds shall revert to the General Fund~~"

Item 4300-003-001—For support of Department of Developmental Services, for Developmental Centers I reduce this item from $38,217,000 to $31,440,000 by reducing

(a) 20-Developmental Centers Program from $527,143,000 to $520,059,000, and

(b) Reimbursements from −$482,710,000 to −$482,403,000

I am reducing this item by $6,777,000 to reflect the following actions

I am reducing this item by $3,239,000 General Fund, the scheduled reimbursements by $307,000, and 320 9 personnel years to continue the contracting proposal for housekeeping services at the developmental centers The Legislature augmented this item by $5,080,000 ($4,640,000 General Fund and $440,000 in reimbursements) and 320 9 personnel years to discontinue contracting and hire civil service employees to perform janitorial duties I have taken the opportunity to review the Legislature's action on the contracting-out proposal which would have allowed the Department of Developmental Services to realize cost savings related to housekeeping services at the developmental centers In reviewing the basis for the Legislature's action, I have determined that this proposal continues to be an appropriate opportunity to contract out I am, therefore, eliminating the 320 9 personnel years and $3,546,000 of the funds added by the Legislature and will use the remaining funds to contract for these services

I am reducing this item by $800,000 for recurring maintenance for developmental centers The Legislature augmented this item by $800,000 General Fund and made a corresponding reduction to the Outer Continental Shelf Land Act Section 8(g) Revenue Funds. Due to this funding shift, I can no longer support this augmentation The proposed use of Outer Continental Shelf Land Act Section 8(g) Revenue Funds for this purpose would have allowed General Funds to be used to fund other high priority areas In light of the $4,000,000 augmentation which I approved to fund increased developmental center facilities operations and maintenance costs for 1989–90, I believe that the $800,000 augmentation can be deleted without adversely impacting the developmental centers

I am reducing this item by $2,738,000 and 40 1 personnel years. The Legislature augmented this item by $6,799,000 and 99.6 personnel years to reduce developmental center salary savings This augmentation would have reduced the salary savings rate from 7 2 percent to 5 7 percent. Given the numerous significant changes in accreditation and certification standards, I believe that some reduction of the salary savings rate is appropriate However, given the General Fund need in other high priority areas and in order to provide for a prudent reserve for economic uncertainties, I am reducing this augmentation to $4,061,000 and 59 5 personnel years in order for the department to address its staffing and coverage needs These resources will assist the Department in meeting the more stringent accreditation standards

Item 4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers I reduce this item from $529,624,000 to $498,107,000 by reducing

(a) 10 10 010-Operations from $149,103,000 to $148,603,000, and

(b) 10 10 020-Purchase of services from $409,134,000 to $378,117,000

I am reducing this item by $31,517,000 to reflect the following actions

I am reducing $23,417,000 which would have provided a 4 6 percent discretionary cost-of-living adjustment for regional center service providers. This augmentation would provide preferential treatment for one provider type While I am supportive of this program, I am unable to provide discretionary cost-of-living adjustments This action would create inequities among other important programs that are not being provided cost-of-living adjustments due to budgetary constraints

I am reducing $7,600,000 which would have provided for increased funding for "other services" due to a revision of the methodology for projecting costs There is no evidence that a methodology change is necessary or that the methodology change proposed is the most appropriate method of projecting costs. Projections using the existing methodology indicate that the regional centers are fully funded

I am reducing $500,000 which would have provided funding for regional center facility rent increases This augmentation is inconsistent with current policy which is to provide $2,000 per regional center position added due to caseload increases. Regional centers are currently reimbursed for allowable operations costs through this item

Item 4440-001-001—For support of Department of Mental Health I delete Provision 4

I am deleting Provision 4 because it conflicts with the provisions of Chapter 1494, Statutes of 1988. Chapter 1494, Statutes of 1988, appropriated $100,000 to have the Department of Mental Health assess the long-term care needs of the mentally ill I signed this legislation with the intent of meeting the legitimate concerns of the California Senior Legislature, among others I believe it would be inappropriate to change the intent of the legislation after it has been enacted and signed into law Furthermore, it is questionable whether the department could effectively comply with the mandate of both Chapter 1494 and Provision 4 within the limited resources made available by the bill

Item 4440-011-001—For support of the State Hospitals, Department of Mental Health I reduce this item from $340,931,000 to $331,724,000 by reducing.

(a) 20 10-Lanterman-Petris-Short Act from $211,052,000 to $205,403,000,

(b) 20 20-Penal Code and Judicially Committed from $131,669,000 to $128,111,000, and by deleting Provision 7

I am deleting the $100,000 General Fund legislative augmentation for the design, development and implementation of a unit-dose pharmacy system at Atascadero State Hospital. While there may be merit to the implementation of such a system, I do not believe that this project is of sufficiently high priority to justify the use of limited State resources

I am deleting Provision 7 to conform to this action

I am deleting $8,800,000 and 221 4 personnel years which were added for the purpose of reducing the State hospital salary savings rate In my Budget I proposed to add 164 3 personnel years costing $6,310,000 in Cigarette and Tobacco Products Surtax funds for program maintenance at the State hospitals The Legislature reduced this proposal to 155 1 personnel years costing $5,585,000, and shifted funding to the General Fund I have accepted these legislative changes, including the shift of funding to the General Fund However, in view of limited General Fund resources, I cannot approve this additional legislative augmentation This action is necessary to protect other vital programs and to provide for a prudent reserve for economic uncertainties

I am also reducing $307,000 of a $440,000 legislative augmentation for the Department of Mental Health's share of the housekeeping cost increase for Developmental Centers This action is consistent with my action in Item 4300-003-001

Item 4440-101-001—For local assistance, Department of Mental Health I reduce this item from $624,276,000 to $508,276,000 by reducing

(b) 10 25-Community Services—other treatment from $607,279,000 to $541,279,000,

(c) 10 40-Adult System of Care Pilots from $32,000,000 to $8,000,000,

(f) 10 65-Residential Care Services from $26,557,000 to $16,557,000,

(g) 10 75-Homeless Mentally Disabled from $29,539,000 to $19,539,000,

(h) 10 85-AIDS from $7,500,000 to $1,500,000,

and by deleting Provisions 12, 13, 14 and 15

I am reducing $116,000,000 in legislative augmentations for local mental health programs These augmentations include $50,000,000 for noncategorical local assistance, $24,000,000 to expand the Adult System of Care Pilots, $15,000,000 to expand the AB 377 children's mental health program, $10,000,000 each for the Residential Care and Homeless Mentally Disabled programs, $6,000,000 for AIDS mental health care, and $1,000,000 for various studies

My proposed Budget provided substantial augmentations for local mental health programs, including $8,000,000 for the Adult System of Care Pilots, $25,000,000 in Cigarette and Tobacco Products Surtax funds for noncategorical local assistance, and $5,239,000 for an additional 233 beds in Institutions for Mental Disease The Legislature agreed to the increases I proposed, but made several very substantial augmentations above my proposals As I have stated before, I support funding for local mental health programs Nevertheless, I must delete the legislative augmentations noted above to protect other equally vital programs and to provide for a prudent reserve for economic uncertainties

I am also deleting Provision 12, which would require the Department of Mental Health to obtain legislative approval prior to implementing any plan to redistribute Short-Doyle local assistance monies Provision 12 would interfere with the department's ability to manage its local assistance operations on a day-to-day basis Those operations frequently require small redistributions to be made for specific purposes and with the agreement of the counties involved This language is unduly restrictive and interferes with the Executive Branch's authority to administer programs

I am deleting Provision 13, which is intended to allocate $37,500,000 of the noncategorical legislative augmentation included in this item Since I have deleted the augmentation, I am deleting the allocation language as a conforming action

I am deleting Provision 14, which is intended to allocate $12,500,000 of the noncategorical legislative augmentation included in this item Since I have deleted the $12,500,000 augmentation, I am deleting the allocation language as a conforming action

I am deleting Provision 15, which consists of a statement of legislative intent to the effect that future augmentations of local Short-Doyle mental health funds shall be distributed in the manner set forth in Provision 14 I believe it is inappropriate to establish policy for future years in a Budget Act which will not be effective in those years Moreover, since I have deleted Provision 14, I am deleting Provision 15 as a conforming action

Item 4440-101-236—For local assistance, Department of Mental Health. I delete Provision 1

I am deleting Provision 1, which specifies the method of distributing the funds appropriated by this item, because it conflicts with existing law Welfare and Institutions Code Section 5600 specifies that new monies made available for Short-Doyle mental health programs shall be allocated "in such a manner that progress toward equity is reasonably assured " Specifically, Section 5600 requires that the allocation reflect more than what is generally referred to as each local program's "poverty-population" share, and take into account not only the poverty-population formula but the relative resources of all programs This language provides that the allocations are to be calculated based on the poverty-population formula, with the exception that the allocations for counties whose current resource level is 11 percent or more above the statewide average would be redistributed to those furthest under the statewide average By relying on the poverty-population formula, and by arbitrarily redistributing resources only for counties 11 percent or more above the statewide average, this language fails to make adequate progress toward equity, as required by existing law I am directing the Department of Mental Health, in consultation with the Conference of Local Mental Health Directors, to allocate the funds in a manner consistent with the intent of existing law

Item 4440-111-001—For local assistance, Department of Mental Health, for services to brain damaged adults I reduce this item from $7,257,000 to $5,257,000, and delete Provision 1.

I am deleting the $2,000,000 legislative augmentation to expand the Brain Damaged Adults program During 1988–89, the Brain Damaged Adults program received an augmentation of $900,000, or more than a 20 percent increase above the 1987–88 funding level Additionally, for 1989–90 I am approving the reappropriation of $150,000 of unspent monies for this program I signed Chapter 1658, Statutes of 1984, which initiated the Brain Damaged Adults program, and I continue to support it In view of the recent funding increase which the program has received, and the need to protect other equally vital programs, I am vetoing this augmentation to provide for a prudent reserve for economic uncertainties

I am deleting Provision 1 to conform to this action.

Item 4440-131-001—For local assistance, Department of Mental Health, for services to special education pupils. I reduce this item from $20,616,000 to $15,116,000 by reducing

(a) 10 80-Assessments, treatment and case management of special education pupils pursuant to Chapter 1747 of the Statutes of 1984 and Chapter 1274 of the Statutes of 1985 from $21,291,000 to $15,791,000

I am deleting the $5,500,000 legislative augmentation to expand the Special Education Pupils program. This program is intended to serve children with serious emotional disorders who require mental health treatment in order to benefit from their education. My Budget proposed to augment noncategorical local assistance funding for the Department of Mental Health by $25,000,000. Under existing law, one-half of the funds must be used to provide services for children In light of this funding increase, I believe it would be inconsistent with the need to protect other vital programs and to provide for a prudent reserve for economic uncertainties to allocate additional limited State resources for this purpose

Item 5160-101-001—For local assistance, Department of Rehabilitation I reduce this item from $73,887,000 to $73,777,000 by reducing·

(c) 30-Support of Community Facilities from $5,311,000 to $5,201,000

I am reducing this item by $110,000 to reflect the following actions

I am reducing $8,000 of the $85,000 legislative augmentation of "match" funds for the three new Independent Living Centers established in 1987–88 In order to assure sufficient incentive match funds for the new centers without adversely impacting existing centers, I am sustaining part of this increase The legislative augmentation would provide for $28,300 per center To maintain equity with the current level of match funds ($25,600 per center), I am reducing this item by $8,000

I am deleting the $102,000 legislative augmentation which provides for a two percent discretionary cost-of-living adjustment for Independent Living Centers While I am supportive of this program, I am unable to provide discretionary cost-of-living adjustments This action would create inequities among other important programs that are not being provided cost-of-living adjustments due to budgetary constraints

Item 5180-001-001—For support of Department of Social Services I reduce this item from $86,840,783 to $86,427,300 by reducing

(b) 20-Social Services Programs from $30,395,483 to $29,982,000

I am deleting the legislative augmentation of $63,483 and 0 9 personnel years to expand the Substance Exposed Infants Demonstration Projects My proposed budget provided $90,000 in this item to fund support activities related to the five pilot projects in four counties (located in South Central Los Angeles (two projects), Alameda, Sacramento and San Diego) for the care of substance exposed infants Since I am vetoing the program expansion, there will be no need for additional staff

This action conforms to the actions I have taken in Items 4260-113-890 and 4200-101-890

I am also deleting the legislative augmentation of $350,000 and 4 4 personnel years for the Child Welfare Services Case Management System. While I believe there may be benefits in developing a case management system, I am concerned about dedicating initial development resources to a project which will require significant future investment of resources without full consideration of the project as part of the budget development process

Item 5180-101-001—For local assistance, Department of Social Services I reduce this item from $2,472,435,000 to $2,450,834,000 by reducing

(a) 10 04 005-Aid to Families with Dependent Children from $4,754,795,000 to $4,727,933,000,

(e) Amount payable from the Federal Trust Fund (Item. 5180-101-890) from −$2,383,104,000 to −$2,377,843,000,

and by deleting Provisions 7, 8 and 9

I am deleting $13,800,000 from this item and $3,361,000 in the Federal Trust Fund Item (5180-101-890) which the Legislature augmented to provide funding for a new method of setting rates for foster care group homes. I believe that in the absence of enabling legislation to change the current rate setting methodology and until the issue of State and county foster care sharing ratios has been agreed upon, it is premature to set aside state resources for this purpose

I am deleting Provision 7 to conform to this action

I am further deleting $7,800,000 from this item and $1.900,000 in the Federal Trust Fund Item (5180-101-890) which the Legislature augmented to provide foster family homes a $200 per child increase in the annual clothing allowance It is my understanding that counties currently have the discretion to determine the amount provided for a clothing allowance and that these allowances range from $50 to approximately $300 Without prejudice to the appropriateness of this increase, I am vetoing this augmentation due to the need to fund other vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 9 to conform to this action

I am reducing this item by $1,000 and deleting Provision 8, which would require the Departments of Social Services and Health Services, to work with counties to reduce Aid to Families with Dependent Children (AFDC) error rates and produce a report for the Legislature These Departments currently work with counties to reduce the error rates in eligibility determination Although no funding was provided for this report and administrative workload, I am reducing $1,000 to reflect savings that will be achieved based upon vetoing language contained in Provision 8 of this item

Item 5180-101-036—For local assistance, Department of Social Services, Ventura County Children's Crisis Center I delete this item and Provision 1

I am deleting the $2,000,000 legislative augmentation for the construction of the Ventura County Children's Crisis Center While I am supportive of efforts to address the needs of abused, neglected and exploited children, typically county children's crisis centers have been locally funded Therefore, I believe it would establish an inappropriate precedent to provide funding for a local capital construction project of this nature

I am deleting Provision 1 to conform to this action

Item 5180-101-890—For local assistance, Department of Social Services I am reducing this item from $2,383,104,000 to $2,377,843,000

This action reduces the amount payable from this item to Item 5180-101-001 and conforms to the actions taken in Item 5180-101-001

Item 5180-151-001—For local assistance, Department of Social Services. I reduce this item from $863,852,693 to $822,871,176 by reducing

(a) 20 30-Other County Social Services from $463,699,517 to $453,718,000,

(1) 20 30 010-Child Welfare Services Grant from $384,863,517 to $383,827,000,

(2) 20 30 030-County Services Block Grant from $78,836,000 to $69,891,000,

(b) 20 35-Specialized Adult Services from $610,944,000 to $609,944,000,

(3) 20 35 250-Access Assistance for the Deaf from $4,442,000 to $3,442,000,

(c) 20 40-Employment Services from $220,406,736 to $190,406,736,

and by deleting Provision 10

I am deleting the $836,517 legislative augmentation to expand the Substance Exposed Infants demonstration projects The Budget which I submitted proposed $1,066,000 to fund respite, recruitment and training activities related to the five pilot projects in four counties (located in South Central Los Angeles (2 projects), Alameda, Sacramento and San Diego) for the care of substance exposed infants. The Legislature has proposed to nearly double the size of the projects before the first pilot is initiated, much less evaluated Therefore, this augmentation is premature. This action conforms to my action on Items 4260-113-890 and 4200-101-890

I am deleting the $200,000 legislative augmentation to supplement Child Welfare Services to Indian Children Currently, children on reservations are under the protection and services of federal and state child welfare laws. Since the Child Welfare Services program is funded based on caseload need, to set aside funds for a particular program or group rather than budgeting according to the needs of the entire program would create duplication and set an unnecessary precedent

I am deleting the $1,000,000 legislative augmentation to expand the Deaf Access Assistance program. This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

I am deleting Provision 10 to conform to this action

I am deleting the $8,500,000 legislative augmentation to expand the Adult Protective Services (APS) program. While I am supportive of the efforts to ensure the health and safety of elderly Californians, I believe that we should postpone any augmentations for a statewide expansion of the APS program at this time due to the need to provide for other vital programs and to provide for a prudent reserve for economic uncertainties.

I am deleting the $445,000 legislative augmentation to expand the County Services Block Grant program This augmentation would provide funding for this program above the estimate of caseload expenditures.

I am deleting $30,000,000 from this item to reflect the impact of legislation (Chapter 77, Statutes of 1989) which I have signed to conform State law with the federal Job Opportunities and Basic Skills (JOBS) training program The effect of this law change will provide increased federal funds for the Greater Avenues for Independence (GAIN) program These increased federal funds will allow the Department to reduce $30,000,000 in General Fund without a change in the total level of funding available for the GAIN program

Item 5180-155-001—For local assistance, Department of Social Services I delete Provision 1

I am deleting Provision 1 because it would prohibit Los Angeles County from contracting out case management services of the Greater Avenues for Independence (GAIN) program The federal government, which provides specific guidelines for contracted services, has reviewed this contract and the county procedures and has found them to be in compliance with these requirements. In addition, this provision would restrict the State's authority to consider operational alternatives which may prove to be beneficial and less costly Therefore, I believe this Provision interferes with the Administration's ability to manage its programs and would invariably result in increased costs to the State

Item 5180-181-001—For local assistance, Department of Social Services I reduce this item from $242,814,000 to $234,774,000 by reducing

(a) 10.04.005-Aid to Families with Dependent Children (for transfer to Item 5180-101-001) from $223,721,000 to $211,941,000,

(e) 20-Social Services Program (for transfer to Item 5180-151-001) from $2,593,000 to $2,453,000,

(f) Amount payable from the Federal Trust Fund (Item 5180-181-890) from −$137,806,000 to −$133,926,000,

and by deleting Provision 1

I am deleting $7,900,000 from this item and $3,880,000 in the Federal Trust Fund Item (5180-101-890) which the Legislature augmented to provide a discretionary 5.06 percent cost-of-living adjustment to foster family homes While I am supportive of the efforts provided by Foster Parents, I am unable to provide discretionary cost-of-living adjustments This action would create inequities among other important programs that are not being provided cost-of-living adjustments due to budgetary constraints

I am deleting Provision 1 to conform to this action

I am also deleting the $140,000 legislative augmentation to the Deaf Access Assistance program to provide a discretionary 4 0 percent cost-of-living adjustment (COLA) I am unable to provide this discretionary COLA adjustments This action would create inequities among other important programs that are not being provided a COLA adjustments due to budgetary constraints

Item 5180-181-890—For local assistance, Department of Social Services I reduce this item from $137,806,000 to $133,926,000

I am reducing this item by $3,880,000 for a discretionary 5 06 percent cost-of-living adjustment for foster family homes This action reduces the amount payable from this item to Item 5180-181-001 This action conforms to the action taken in Item 5180-181-001

Item 5460-301-747—For capital outlay, Department of the Youth Authority I reduce this item from $2,477,000 to $2,390,000 by reducing·

(7) 60.90 010-Minor Projects from $1,364,000 to $1,277,000

Statutory authority for a visitor services program expired January 1, 1989 Therefore, the purchase of a trailer at the Northern California Youth Center is unnecessary

Item 5770-001-001—For support of the Robert Presley Institute of Corrections Research and Training Institute I reduce this item from $566,000 to $416,000

I am deleting the $150,000 legislative augmentation for the Robert Presley Institute to fund a sociological study on the community impact of Pelican Bay State Prison in Del Norte County I do not believe this study is of sufficiently high priority nor do I believe that the need for this particular level of funding has been adequately demonstrated to justify the use of limited state resources

Item 6110-001-001—For support of Department of Education I reduce this item from $50,667,000 to $49,114,000 by reducing.

(a) 10-Instruction from $40,314,000 to $39,382,000,

(b) 20-Instructional Support from $36,311,000 to $35,665,000,

(c) 30-Special Programs from $14,728,000 to $14,503,000,

and by deleting

(j) Reimbursements-Special Schools Study (−$250,000),

and by deleting Provisions 14, 16, 17, and 18

I am deleting the legislative augmentation of $507,000 and the associated 4 7 personnel years for the C-LERN pilot project This project addresses high-risk youth and is currently funded from private and local resources The project, however, has not been evaluated Therefore, State funding for expansion would be premature at this time.

I am deleting the $75,000 legislative augmentation to conduct a survey of the experience, education, compensation and tenure of center-base child care teachers I do not believe that this project is of sufficiently high priority to justify the use of limited state resources

I am deleting Provision 14 to conform to this action

I am deleting the legislative augmentation of $75,000 and the associated 1 4 personnel years to support the College Preparation Model program to conform with my veto of local assistance funding for this program in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provision 16 to conform to this action.

I am deleting the $140,000 legislative augmentation for support of a proposed California Planning Commission for Educational Technology Long-range planning for coordinated use of educational technology should be possible without the creation of a new commission.

I am deleting Provision 17 to conform to this action

I am deleting the $431,000 legislative augmentation for implementation of anticipated recommendations of the Upper Elementary Grades Task Force Since these recommendations are not expected to be completed until January, 1990, there is no basis for a decision to implement them and no basis for estimating the cost of implementation

I am deleting the $75,000 legislative augmentation for costs of participating in the 1990 National Assessment of Education Progress (NAEP) pilot 8th grade math test. This augmentation would be outside of Proposition 98 I do not believe that this project is of sufficiently high priority to justify the use of limited state resources

I am deleting the $100,000 legislative augmentation to prepare a statewide class size reduction plan This augmentation is unnecessary because I have proposed a statewide class size reduction program based on previous legislative proposals and have sponsored legislation to implement the program in 1989–90.

I am deleting Provision 18 to conform to this action

I am deleting the $150,000 legislative augmentation for the state operations of the pregnant/parenting teenagers project I do not believe the state operations portion of this project is of sufficiently high priority to justify the use of limited state resources

I am deleting reimbursement expenditure authority in this item to conform to actions taken in Item 6110-006-001 relating to the study of the cost-effectiveness of the State Special Schools

Item 6110-006-001—For support of Department of Education as allocated by the Department of Education to the State Special Schools I reduce this item from $41,770,000 to $41,520,000 by reducing

(a) 10 60 040-Instruction from $45,733,000 to $45,483,000,

and by deleting Provision 3

I am reducing this item by $250,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provision 3 to conform to this action.

Item 6110-101-001—For local assistance, Department of Education, School Apportionments. I reduce this item from $9,005,705,000 to $9,005,615,000 by reducing

(a) Program 10 10 001.001—School Apportionments, District Revenue Limit, for the purposes of Section 42238 of the Education Code from $8,853,471,000 to $8,853,381,000,

and by deleting Provisions 19 and 20

I am reducing this item by $90,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989.

I am deleting Provision 20 to conform to this action

I am deleting Provision 19 because this provision would set a precedent for districts to attempt to recoup foregone interest from overstating local revenues I believe any changes to the apportionment process should address equitable treatment of all districts and the State.

Item 6110-106-001—For local assistance, Department of Education, County Offices of Education School Apportionment I reduce this item from $119,708,000 to $119,573,000, and delete Provisions 14 and 16

I am reducing this item by $135,000 ($35,000 for the Shasta County Literary Festival and $100,000 for a school-base funding allocation model task force) in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provisions 14 and 16 to conform to this action

Item 6110-116-001—For local assistance, Department of Education, School Improvement Program I reduce this item from $251,081,000 to $248,081,000 by reducing

(a) 20 60.030 010-For the purpose of making allowances for Kindergarten and grades 1 to 6, inclusive from $214,012,000 to $211,012,000

I am reducing this item by $3,000,000 in order to finance the agreement reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

Item 6110-119-001—For local assistance, Department of Education, Supplementary Program Services I reduce this item from $5,135,000 to $4,237,000 by reducing

(a) 20 40.060-Instructional Support—Foster Youth Services from $1,719,000 to $821,000,

and by deleting Provision 3

I am reducing this item by $898,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provision 3 to conform to this action

Item 6110-120-001—For local assistance, Department of Education, Pupil Dropout Prevention. I reduce this item from $12,250,000 to $8,350,000, revise the language in this item, and delete Provisions 2 and 4.

I am reducing this item by $3,900,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provisions 2 and 4 to conform to this action

I am revising language in this item to conform to this action

"6110-120-001—For local assistance, Department of Education, Program 20.40 100—Pupil Dropout Prevention Program, High Risk Youth Liaison and Field Services for purposes of Article 6 (commencing with Section 52890) and ~~Article 7 (commencing with Section 52900) of, Chapter 12 of Part 28 of,~~ Article 7 (commencing with Section 54720) of Chapter 9 of Part 29 of ; ~~and Chapter 3.5 (commencing with Section 58550) of Part 31 of~~ the Education Code "

Item 6110-126-001—For local assistance, Department of Education, Miller-Unruh Reading Program I reduce this item from $20,441,000 to $19,869,000 and delete Provision 3

I am reducing this item by $572,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provision 3 to conform to this action

Item 6110-131-001—For local assistance, Department of Education, Native American Indian Education I reduce this item from $385,000 to $365,000

I am reducing this item by $20,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989.

Item 6110-151-001—For local assistance, Department of Education, American Indian Education Centers. I reduce this item from $1,872,000 to $861,000

I am reducing this item by $1,011,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989.

Item 6110-156-001—For local assistance, Department of Education, Adult Education I reduce this item from $259,887,000 to $259,650,000 and delete Provision 7

I am reducing this item by $237,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

I am deleting Provision 7 to conform to this action

Item 6110-161-001—For local assistance, Department of Education, Special Education Programs for Exceptional Children. I reduce this item from $1,204,724,000 to $1,203,824,000.

I am reducing $900,000 from this item to reflect a reduction in General Fund need. This reduction is based on vetoing augmentations from federal fund carryover in Item 6110-161-890 The carryover, by statute, will be used for local entitlements which are a General Fund offset

Item 6110-161-890—For local assistance, Department of Education, Special Education Programs for Exceptional Children I reduce this item from $171,551,000 to $170,651,000 by reducing

(b) 10 60 050 020-PL 94-142, direct and indirect instructional services approved in the State Plan from $12,167,000 to $11,267,000,

and by revising Provision 8 and deleting Provisions 9 and 10

I am deleting the $900,000 legislative augmentations for expansion of special education federal discretionary programs (Cross Cultural, Second Language Institutes, Timpany Center). The augmentations were made from federal carryover funds which, by statute, are to be used for local entitlements

I am revising Provision 8 and deleting Provisions 9 and 10 to conform to this action

"8. Of the funds appropriated in Schedule (b) of this item, ~~$600,000 $200,000~~ shall be used for research and training in cross-cultural assessments."

Additionally, I am revising Provision 6 to delete the unduly restrictive legislative intent language The staff development funds for local level programs are provided so that specific training needs at the local level may be met Specific training programs should not be designated

"6 Of the funds appropriated in Schedule (b) of this item, up to $3,618,000 may be used for a personnel development program This program will include state sponsored staff development, ~~including parent training,~~ local inservice components, bilingual, student study team, and core curriculum components Of this amount, a minimum of $2,500,000 shall be allocated directly to special education local plan areas. The local inservice programs shall include a parent training component ~~It is the intent of the Legislature that a component be provided to train members of the Individualized Education Program Team, including, but not limited to, resource specialists, school psychologists, and school nurses, in assisting regular classroom teachers in the recognition of signs of learning disabilities in pupils, and in providing teaching strategies for for those pupils~~

~~Such training, however, is not meant to be an alternative to nor a supplanting of the legal entitlement to due process access to special education assessments or services~~ All programs are to include evaluation components."

Item 6110-171-178—For local assistance, Department of Education, Driver Training. I reduce this item from ($21,646,000) to ($21,236,000)

I am deleting the $410,000 legislative augmentation to expand the Driver Training Program The augmentation was made from the Driver Training Penalty Assessment Fund Funds remaining in the Driver Training Penalty Assessment Fund at the end of the fiscal year are transferred to the General Fund Therefore, this augmentation would reduce General Fund revenues. My action will allow the limited state resources to be used to protect vital programs

Item 6110-181-001—For local assistance, Department of Education, Educational Technology I delete this item

I am deleting this $13,570,000 legislative augmentation in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

Item 6110-191-001—For local assistance, Department of Education, Staff Development I reduce this item from $75,378,000 to $74,253,000 by reducing:

(d) 20 60 120-California International Studies from $1,055,000 to $880,000, and

(g) 20 60 050 002-Beginning Teacher Support and Assessment Study from $2,668,000 to $1,718,000,

and by revising Provision 6

I am reducing this item by $1,125,000 ($175,000 for the California International Studies Project and $950,000 for the Beginning Teacher Support and Assessment Study) in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989.

I am revising Provision 6 relating to the California International Studies Project to conform to this action

"6 Notwithstanding any other provision of law, the amount appropriated in category (d) of this item shall be the maximum amount allocated for the purposes of Chapter 3.7—California International Studies Project (commencing with Section 44780) of Part 25 of the Education Code ~~Of the amount appropriated in category (d), $175,000 shall be reserved for foreign language staff development. These funds shall be allocated to the California International Studies Project only if federal funds are not available for this purpose.~~"

Item 6110-194-001—For local assistance, Department of Education, College Admissions Test Preparation Pilot Projects I delete this item

I am deleting this $900,000 legislative augmentation in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

Item 6110-196-001—For local assistance, Department of Education, Local Education Agency Child Development I reduce this item from $331,490,000 to $330,340,000 by reducing

(b) 3 10 020-Child Care Services from $294,227,000 to $293,077,000,

(8) 30 10 020 008-Resource and referral from $8,497,000 to $7,597,000,

(10) 30 10 020 010-Protective services from $1,319,000 to $1,069,000.

I am reducing this item by $1,150,000 in order to finance the agreement reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

Item 6110-224-001—For local assistance, Department of Education I reduce this item from $36,950,000 to $36,000,000 by deleting

(ax) 10 10 951—Lodi Unified School District one-time secondary year-round school incentive payments $950,000

I am reducing this item by $950,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989.

Item 6120-211-001—For local assistance, Department of Education, California State Library I reduce this item from $15,148,000 to $14,048,000

I am deleting the $1,100,000 legislative augmentation for the California Literacy Campaign The State's current policy is to provide financial assistance to local literacy programs for a five-year establishment period. These programs are expected to be self-supporting after the fifth year of operation Therefore, I believe it would be inappropriate to indefinitely extend State funding to those local programs in their sixth and subsequent years of operation. This action is necessary to protect vital programs and to provide for a prudent reserve for economic uncertainties

Item 6120-221-001—For local assistance, Department of Education, California State Library I reduce this item from $21,556,000 to $20,600,000

I am deleting the $956,000 legislative augmentation for the Public Library Foundation Program While I am supportive of efforts in this area, I do not believe this program is of sufficiently high priority to justify the use of limited State resources. This action is necessary to protect vital programs and to maintain a prudent reserve for economic uncertainties

Item 6440-001-001—For support of University of California I reduce this item from $1,966,297,000 to $1,964,499,000 by deleting

(i) Animal Research Alternatives ($428,000),

(j) Alzheimer and Geriatrics Program ($1,000,000),

(k) Human Corps Program ($70,000),

(m) Aquaculture and Fisheries research ($300,000),

I am deleting the $428,000 legislative augmentation for Animal Research Alternatives The University of California has $179,000,000 available from the General Fund for research purposes to support high priority programs

I am deleting the $1,000,000 legislative augmentation for the Alzheimer and Geriatrics Program I do not believe this program is of sufficiently high priority to justify the use of limited State resources. Even with this reduction, during my administration, I have increased the statewide Alzheimer's disease budget from $121,000 to $9,743,000, an increase of $9,622,000

I am deleting the $70,000 legislative augmentation for the Human Corps Program When I signed the enabling legislation in 1987 for this program, the University of California's administrative structure and ongoing student volunteer community services activities were sufficient to implement and continue this program I believe that the program should be continued without an augmentation in light of the limited State resources and competing priorities

I am deleting the $300,000 legislative augmentation for Aquaculture and Fisheries Research The University of California has partially implemented and operated the program within its existing resources I believe that the program should be continued without an augmentation in light of the limited State resources and competing priorities

Item 6440-001-234—For support of the University of California I reduce this item from $42,038,000 to $40,923,000

I am reducing this item by $1,115,000 in order to maintain a five percent reserve in the Research Account, Cigarette and Tobacco Products Surtax Fund

Item 6440-011-001—For support of University of California I reduce this item from $52,807,000 to $52,563,000 and revise Provision 5

I am revising Provision 5 to conform to this action

"5 Of the funds appropriated in this item, ~~$12,105,000~~ *$11,861,000* shall be available to the University of California for faculty, nonfaculty and annuitants benefits The funds are sufficient to maintain faculty and nonfaculty benefits at the same rate of increase as for civil service and related employees "

This reduction conforms to the actions taken in Items 9800-001-001, 9800-001-494, and 9800-001-988 and Control Sections 4 00 and 4 20

Item 6600-011-001—For support of Hastings College of the Law I reduce this item from $416,000 to $415,000 and revise Provision 5

I am revising Provision 5 to conform to this action

"5 Of the funds appropriated in this item, ~~$106,000~~ *$105,000* shall be available to the Directors of Hastings College of the Law for faculty and nonfaculty benefits The funds are sufficient to maintain faculty and nonfaculty benefits at the same rate of increase as for civil service and related employees "

This reduction conforms to the actions taken in Items 9800-001-001, 9800-001-494, and 9800-001-988 and Control Sections 4 00 and 4 20

Item 6610-001-001—For support of Trustees of the California State University and the California State University I reduce this item from $1,580,130,000 to $1,579,960,000 by reducing

(d) 05-Student Service from $158,015,000 to $157,845,000.

I am deleting the legislative augmentation of $170,000 to fund administrative costs of the California State University's Human Corps Program When I signed the enabling legislation for this program in 1987, California State University's administrative structure and ongoing student volunteer community service activities were sufficient to implement and continue this program I believe this program has operated successfully without additional State resources

As a result of my actions, the total budget for the California State University will be $166,916,000 higher than in the 1988-89 fiscal year, which is a 9.0 percent increase

Item 6610-031-001—For support of Trustees of the California State University and the California State University I reduce this item from $53,119,000 to $52,901,000 by reducing

(d) 97 20-Benefit Maintenance from $14,634,000 to $14,416,000

This reduction conforms to the actions taken in Items 9800-001-001, 9800-001-494 and 9800-001-988, and in Control Sections 4 00 and 4 20

Item 6610-301-660—For capital outlay, State Public Works Board I reduce this item from $81,226,000 to $76,513,000 by deleting·

San Diego State University

(7) 06 80 109—Working drawings and construction, Chemistry/Geology Building addition—Chilled Water System expansion ($4,713,000)

I am reducing this item to defer the construction of this project This legislative augmentation should be considered in the budget development process in the context of competing needs from general obligation bond funds

Subsequent to this reduction the budget will still provide $186,621,000 for the California State University capital outlay program which is $78,708,000 or 73 percent higher than last year's program

Item 6610-301-785—For capital outlay, Trustees of the California State University and the California State University I reduce this item from $66,671,000 to $66,513,000 by deleting

California State Polytechnic University, San Luis Obispo·

(42) 06 96 101-Preliminary planning, Dairy Science Building II ($158,000).

I am reducing this item because preliminary planning for the Dairy Science Building II is not of sufficiently high priority on the California State University's priority list to warrant inclusion in this year's budget.

Subsequent to this reduction the budget will still provide $186,621,000 for the California State University capital outlay program which is $78,708,000 or 73 percent higher than last year's program

Item 6870-001-001—For support of Board of Governors of the California Community Colleges I reduce this item from $14,968,000 to $14,780,000 by reducing.

(b) 20-Special Services and Operations from $14,965,609 to $14,777,609.

I am deleting the legislative augmentation of $188,000 and 0 9 personnel years for support of Economic Development Resources Programs The Budget Act already includes a $120,000 augmentation for this purpose Furthermore, existing resources can be redirected within the Agency if the Chancellor determines that there is an increased need Even with the reduction, the support budget for the Chancellor's Office will receive a $1,764,000 (13 6 percent) budget increase over last year.

Item 6870-101-001—For local assistance, Board of Governors of the California Community Colleges I reduce this item from $1,548,715,000 to $1,464,143,000 by reducing.

(a) 10-Apportionments from $1,393,933,000 to $1,323,933,000,

(f) 20 10 070-Matriculation from $35,870,000 to $21,870,000,

(k) 20 30.030-Vocational Education Special Projects from $5,318,000 to $4,746,000, and by deleting Provision 20

I am deleting the $70,000,000 legislative augmentation which would implement "Phase I" reforms pursuant to Chapter 973, Statutes of 1988, the major reform bill for the California Community Colleges While I support the augmentation and the reforms, an agreement between the Administration and the Legislature provides for the $70,000,000 to be appropriated in legislation which includes funding required under Proposition 98 for K–12 Education and Community Colleges

I am deleting Provision 20 to conform to this action

I am deleting the $14,000,000 legislative augmentation for full implementation of the Matriculation Program in 1989–90 While I support this augmentation, an agreement between the Administration and the Legislature provides for the $14,000,000 to be appropriated in legislation which includes funding required under Proposition 98 for K–12 Education and Community Colleges

I am deleting the $572,000 legislative augmentation for expansion of local Economic Development Resource programs Legislation implementing Proposition 98 includes a $70,000,000 augmentation for Community College reforms and expansion of local programs pursuant to Chapter 973, Statutes of 1988 A significant portion of these funds is available to Community College districts for initiation or expansion of Economic Development Resource programs

Item 6870-311-660—For capital outlay, State Public Works Board I delete this item

I am deleting the $4,186,000 legislative augmentation because the projects were not of sufficiently high priority on the Chancellor's priority list to warrant inclusion in the Governor's Budget given competing needs for available resources

Even with this deletion and the similar deletion of Item 6870-311-785, the budget will still provide $109,853,000 for the California Community Colleges' Capital Outlay program This represents an increase of 56 percent over the level of funding provided in last year's budget

Item 6870-311-785—For capital outlay, Board of Governors of the California Community Colleges I delete this item

I am deleting the $1,135,000 legislative augmentation because the projects were not of sufficiently high priority on the Chancellor's priority list to warrant inclusion in the Governor's Budget given competing needs for available resources

Even with this deletion, and a similar deletion of Item 6870-311-660, the budget will still provide $109,853,000 for the California Community Colleges' Capital Outlay program This represents an increase of 56 percent over the level of funding provided in last year's budget

Item 8100-001-001—For support of Office of Criminal Justice Planning I revise this item by reducing

(c) 50-Local Project Awards from $9,089,000 to $9,039,000, and

(f) Amount payable from Victim/Witness Assistance Fund (Item 8100-001-425) from −$1,885,000 to −$1,835,000

I am revising this item to conform to the reduction taken in Item 8100-001-425.

Item 8100-001-425—For support of Office of Criminal Justice Planning I reduce this item from $1,885,000 to $1,835,000 and delete Provision 1

I am deleting the $50,000 legislative augmentation for development of a curriculum for health care professionals who examine victims of sexual assault. An augmentation for this activity is not necessary because the Office of Criminal Justice Planning currently makes videotaped versions of its original training sessions on this subject available to health care service providers upon request. Further,

I am already supporting a $450,000 increase from the Victim/Witness Assistance Fund to address workload increases in both the Victim/Witness Assistance and Sexual Assault Victims' Services Programs, which brings total State funding for these programs to $11,915,000 I believe that this is the maximum which should be authorized from the Victim/Witness Assistance Fund in order to provide reserves at a prudent level to meet program needs in 1989–90 and in subsequent years

I am deleting Provision 1 to conform to this action

Item 8100-101-241—For local assistance, Office of Criminal Justice Planning I reduce this item from $916,000 to $908,000 and delete Provision 2

I am deleting the $8,000 legislative augmentation for a study of post partum depression as a legal defense because there is insufficient evidence of the existence of a statewide problem which would justify funding for this project

I am deleting Provision 2 to conform to this action

Item 8100-101-425—For local assistance, Office of Criminal Justice Planning I reduce this item from $13,270,000 to $12,770,000 by reducing·

(b) 50 21 020-Rape Crisis Program from $3,496,500 to $2,996,500

I am deleting the $500,000 legislative augmentation for the Rape Crisis Center Program because I am concerned that this expenditure may jeopardize the maintenance of a prudent reserve in the Victim/Witness Assistance Fund and would inequitably increase funding for the Rape Crisis Center Program I am already supporting a $450,000 increase from the Victim/Witness Assistance Fund for workload increases in both the Rape Crises Center Program and Victim/Witness Assistance Program which brings total State funding for these programs to $11,915,000 I believe that this is the maximum which should be authorized from the Victim/Witness Assistance Fund in order to provide fund reserves at a prudent level to meet program needs in 1989–90 and in subsequent years

Item 8260-101-001—For local assistance, California Arts Council I reduce this item from $13,000,000 to $12,000,000 by reducing

(a) 10-Artists in Residence from $2,332,000 to $2,082,000,

(b) 20-Organizational Grants from $7,880,000 to $7,380,000,

(c) 25-Performing Arts Touring/Presenting Program from $737,000 to $667,000, and

(d) 40-Statewide Projects from $2,051,000 to $1,871,000

I am reducing the $5,000,000 legislative augmentation of this item by $1,000,000 Even with this reduction, however, the effect of my action is to support an additional $4,000,000 above the level included in the January 10 Governor's Budget. I believe that this is an appropriate level of support for this worthwhile program in the current fiscal environment.

Item 8350-001-001—For support of Department of Industrial Relations I delete Provisions 3 and 4

I am deleting Provision 3 which would prohibit the expenditure of funds for support of the Industrial Welfare Commission because it is an infringement on the separation of powers in that it usurps Executive branch authority to effectively administer State government

I am deleting Provision 4 which would prohibit the expenditure of funds in this item for the salary of the Labor Commissioner until specified information is printed in the Governor's Budget I believe this is an infringement on the separation of powers in that it usurps Executive branch ability to effectively administer State government

Item 8350-490—Reappropriation, Department of Industrial Relations I delete this item

I am deleting the Legislature's reappropriation of 1988-89 Budget Act funds appropriated for support of Program 30 in Item 8350-001-001 The Budget Act of 1988 does not include an appropriation for Program 30 due to the Legislature's action providing a lump sum appropriation for the Department of Industrial Relations. In addition to the fact that this reappropriation is technically incorrect, I believe the funding appropriated in Item 8350-001-001 is sufficient to provide for support of the workers' compensation program

Item 8550-001-191—For support of California Horse Racing Board. I reduce this item from $7,146,000 to $7,141,000 by reducing:

(b) 300000-Operating Expenses and Equipment from $5,073,000 to $5,068,000, and by deleting Provisions 1, 2, and 3.

I am deleting the $5,000 legislative augmentation for the Auditor General to audit contract bidding procedures for awarding laboratory drug testing contracts It is my understanding that the California Horse Racing Board is following appropriate bidding procedures in the awarding of laboratory drug testing contracts, therefore, an audit is unnecessary

I am deleting Provision 1 to conform to this action.

I am deleting Provision 2 which would require the Equine Medical Director to report directly to the California Horse Racing Board instead of to the Executive Secretary of the Board I believe that this language places an inappropriate control on the operation of the California Horse Racing Board, and constitutes an infringement upon the separation of powers in that it usurps Executive branch authority to effectively administer state government

I am deleting Provision 3 which would prohibit funds in this item from being encumbered until the order of the State Personnel Board on Case No 22821 has been executed The cited case has no relevance to the budgetary process, and could result in unwarranted disruptions to the operations of the California Horse Racing Board Furthermore, I believe this language is an infringement upon the separation of powers in that it usurps Executive branch authority to effectively administer state government

Item 8570-001-001—For support of Department of Food and Agriculture I reduce this item from $75,733,000 to $75,708,000 by reducing

(d) 30-Agricultural Marketing Services from $5,011,000 to $4,986,000

I am deleting the $25,000 legislative augmentation for the farmers market nutrition pilot project The legislation that would establish this program has not yet been enacted I do not believe it is proper to appropriate limited General Fund resources in anticipation that such a program will be created.

Item 8570-101-001—For local assistance, Department of Food and Agriculture I revise this item by reducing

(d) 60-Financial and Administrative Assistance to local fairs from $4,692,750 to $4,690,000,

and by deleting

(ex) Payable from the Special Account for Capital Outlay (−$2,750)

I am deleting the $2,750 legislative augmentation, payable from Item 8570-101-036, for improvements at the 24th District Agricultural Association (Kings District Fair). Projects of this nature should be submitted to the Department of Food and Agriculture to be evaluated and prioritized along with all other fair and exposition needs, and are more appropriately funded by the Fair and Exposition Fund

Item 8570-101-036—For local assistance, Department of Food and Agriculture. I delete this item

I delete this item to conform to the action I have taken in Item 8570-101-001.

Item 8660-001-412—For support of Public Utilities Commission I revise this item by reducing

(a) 100000-Personal Services from $51,745,044 to $51,701,044,

(b) 300000-Operating Expenses and Equipment from $18,945,956 to $18,934,956,

(g) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462) from −$40,930,000 to −$40,875,000,

and by deleting Provisions 3 and 4

I am deleting the $55,000 legislative augmentation to fund a temporary field office in San Diego for the first six months of fiscal 1990–91 The need for additional funding during fiscal 1990-91 should be identified as part of the budget development process

I am deleting Provision 3 to conform to this action

I am deleting Provision 4 which would require the Public Utilities Commission to collect up to $500,000 in reimbursements for contract expenses "to promote public education, understanding, and participation" pertaining to the proposed merger of San Diego Gas and Electric with Southern California Edison This provision unduly interferes with Executive Branch Authority and is unnecessary, as the Division of Ratepayer Advocates currently protects the public interest at Public Utilities Commission proceedings It would also be inappropriate for a government entity to collect funds for the type of informational activities specified in this provision

Item 8660-001-462—For support of Public Utilities Commission I reduce this item from $40,930,000 to $40,875,000

I am reducing this item to conform to the action I have taken in Item 8660-001-412

Item 8700-001-214—For support of State Board of Control I delete Provision 1

I am deleting Provision 1 which would prohibit the Victim's Program from considering the Medically Indigent Adult Program as a reimbursement source for the purpose of determining pecuniary loss This language is not consistent with existing law and state policy which does not provide for the use of Restitution Funds for reimbursement to public hospitals for their costs in treating victims of crime who are also medically indigent Providing reimbursement to those public hospitals, which already receive state funding for health care services to the medically indigent, would be contrary to the state's current policy of using the Restitution Fund as the "payor of last resort" In addition, the costs associated with this language could be significant and jeopardize the fund's solvency, thereby negatively affecting my commitment to compensate victims of crime Lastly, I believe that this language represents a substantive change of law which can only be included within a different single subject bill, rather than the Budget Act

Item 8780-001-001—For support of Commission on California State Government Organization and Economy I reduce this item from $678,000 to $528,000 by reducing

(a) 10-Commission on California State Government Organization and Economy from $680,000 to $530,000

I am deleting the $150,000 legislative augmentation for a study on the effects of growth control on housing and urban development As I indicated in my message accompanying my deletion of a similar amount last year, Chapter 1423, Statutes of 1988, the Commission has the staff and the authority to perform such a study, therefore, no augmentation is provided I would also note that the State Senate Urban Growth Policy Project has already been established by Senate Resolution to perform a study of housing and growth management

Item 9100-101-001—For local assistance, Tax Relief I revise Provision 6

I am revising the language in Provision 6 to remove the portion that directs the Renters' Tax Credit to be provided to renters claiming head-of-household filing status and whose primary income is public assistance Inasmuch as existing law restricts the Renters' Tax Credit for persons receiving public assistance, the language represents a substantive change of law which can only be included within a different single subject bill, rather than the Budget Act

"6 Schedule (f) is for transfer by the State Controller, as needed, to the Tax Relief and Refund Account, General Fund for the purpose of providing credits and refunds to renters as required by Section 17053 5 of the Revenue and Taxation Code, Franchise Tax Board ~~It is the intent of the Legislature that the credits and refunds shall be provided to all qualified renters, inclusive of those renters claiming the head/of/household filing status whose primary source of income is public assistance~~"

Item 9800-001-001—For augmentation for Employee Compensation. I reduce this item from $152,575,000 to $151,916,000 by reducing:

(a) 10 01-Civil Service Employees—Represented from $116,573,550 to $116,067,000

(b) 10 02-Civil Service Employees—Nonrepresented from $26,241,650 to $26,132,000

(c) 10 03-Exempt/Excluded and Other Employees from $2,902,900 to $2,888,000

(d) 10 05-Judiciary from $3,369,450 to $3,356,000 and

(e) 10 06-Legislative Employees from $3,487,450 to $3,473,000

I am deleting the $659,000 legislative augmentation to provide subsidized health benefit contribution funding for active civil service employees enrolled in the PERSCARE health program.

The national trend of increasing health care costs is an issue of significant concern to public as well as private sector employers, employees and health care providers in this State Solutions to this complex issue will require a concerted effort by all parties involved. However, the Legislature's action to subsidize PERSCARE health rates is inequitable and would alter natural market decisions about the choice of health care providers Under the Legislature's proposal both the State and non-PERSCARE members would be required to pay higher health benefit contributions to artificially suppress PERSCARE rates Moreover, the Legislature's proposal would act as a disincentive to cost containment activities within the PERSCARE program This action is consistent with Government Code provisions for establishing employer contributions

To conform to this action,

I am also amending Budget Act Items 9800-001-494 and 9800-001-988 and Control Sections 4 00 and 4 20

Although I am making a reduction in this and other budget act items involving health benefit funding for active civil service employees, the budget will provide over $65,000,000 (all funds) for the funding of employer health benefit contributions Furthermore, the budget will provide over $262,000,000 to fund active civil service employee health, dental, vision, salary and special equity benefit adjustment funding increases

Item 9800-001-494—For augmentation for Employee Compensation I reduce this item from $63,183,000 to $62,857,000 by reducing

(a) 10.01-Civil Service Employees—Represented from $50,449,400 to $50,223,000

(b) 10 02-Civil Service Employees—Nonrepresented from $11,415,760 to $11,377,000

(c) 10 03-Exempt/Excluded and Other Employees from $1,317,840 to $1,257,000

I am reducing this item to conform to the reductions taken in Items 9800-001-001 and 9800-001-988 and the revisions to Control Sections 4 00 and 4 20

Item 9800-001-988—For augmentation for Employee Compensation I reduce this item from $47,469,000 to $47,231,000 by reducing:

(a) 10 01-Civil Service Employees—Represented from $37,904,000 to $37,737,000

(b) 10.02-Civil Service Employees—Nonrepresented from $8,562,500 to $8,502,000

(c) 10.03-Exempt/Excluded and Other Employees from $1,002,500 to $992,000

I am reducing this item to conform to the reductions taken in Items 9800-001-001 and 9800-001-494 and the revisions to Control Sections 4.00 and 4 20.

SEC. 4 00—Health Benefits Contribution.

I am revising this Section to conform to the reductions taken in Items 9800-001-001, 9800-001-494 and 9800-000-988 and revision to Control Section 4 20

"Notwithstanding any other provisions of law, the employer's contributions for the 1989–90 fiscal year, which are chargeable to an appropriation made in this act, with respect to each state officer and employee or an annuitant who was in such employment or office, including an academic position with a California State University or College, or is a survivor of such person, or is an annuitant-, shall be ~~$129~~ *$136* for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or ~~$241~~ *$255* for an employee or annuitant so enrolled for self and one family member, or ~~$309~~ *$322* for an employee or annuitant so enrolled for self and two or more family members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefits plan or plans."

SEC 4 20—Contribution to Public Employees' Contingency Reserve Fund

I am revising this Section to conform to the reductions taken in Items 9800-001-001, 9800-001-494 and 9800-001-988 and revisions to Control Section 4 00

"(a) Notwithstanding any other provisions of law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22826 of the Government Code, shall be ~~3 0~~ *0 5* percent of the gross health insurance premiums paid by the employer and employee for administrative expenses ~~and the reserve portion of the Public Employees' Contingency Reserve Fund~~."

SEC 5 10—Restitution Fund I delete this Control Section

I am deleting Control Section 5 10 as this language is unnecessarily restrictive It would limit the Administration's flexibility to provide additional options to fund programs, other than the claims payment program, which could also benefit victims of crime This veto does not reduce my long standing commitment to ensure that the first priority for the use of the Restitution Fund is for the payment of victims' claims

SEC 9 00—Supplemental Report on Conference Committee I delete this Control Section

I am deleting Section 9 00 which requires the Legislative Analyst to transmit copies of the Supplemental Report of the Committee on Conference on the Budget Bill to all agencies This report reflects both the intent and the actions of the Legislature in enacting the Budget Act of 1989 I believe that inclusion of this section in the Budget Act unduly restricts the Executive Branch and implies Gubernatorial concurrence on all statements of legislative intent or requests for studies or other actions

SEC 12 31—For local assistance, Department of Education, Proposition 98 Reserve I reduce this Control Section from $250,000,000 to $230,000,000.

I am reducing this Control Section by $20,000,000 in order to finance the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

SEC. 22 50—Cigarette and Tobacco Products Surtax Fund. I delete this Control Section

There are numerous legislative proposals that would appropriate the various accounts of the Cigarette and Tobacco Products Surtax Fund I believe it is more appropriate to provide for the appropriation of Proposition 99 funds through legislation where the merits of each proposal can be thoroughly explored rather than in a budget control section In addition, the control section is overly prescriptive in prohibiting the use of Proposition 99 funds if funding for the Medically Indigent Services Program is reduced below fiscal year 1988–89 levels A requirement such as this does not take into account any other mitigating factors that should be considered in allocating State funds, nor does it recognize economies that may be derived because of the availability of other funding sources such as State Legalization Impact Assistance Grant funds provided by the federal government

Finally, the funding levels reflected in the control section are not based upon revised revenue projections Given the uncertainty of this new revenue source, any subsequent legislation should be based upon the updated revenues and allow for a five percent reserve in each account

SEC. 24 50—For local assistance, Department of Education, child care-Proposition 98 language. I delete this Control Section

I am deleting this Control Section in order to conform to the agreements reached with the Legislature relating to Chapters 82, 83 and 92, Statutes of 1989

The actions I have taken on Senate Bill 165 will also permit me to set aside sufficient funds to support legislation to address the following priorities and obligations:

General Fund

- Commerce—restoration to fully fund the Tourism Program ($1,900,000).
- Forestry—restoration of the funds proposed for emergency fire suppression ($40,000,000)
- Health Services—to provide the funds for one additional Medi-Cal Checkwrite ($31,700,000)
- Health Services—implementation of an equitable county funding proposal for the Medically Indigent Services Program ($26,597,000)
- Health Services Toxics Division—provision of needed funding as part of an overall plan relating to the Toxic Program ($10,000,000)
- Corrections—restoration of funding to the level required to meet the estimated increases in inmate population ($28,700,000)
- Criminal Justice Planning—to return responsibility for the Campaign Against Marijuana Planting program from the Department of Justice to the Office of Criminal Justice Planning ($2,750,000)
- Industrial Relations—restoration of the funding necessary to operate the Industrial Welfare Commission ($431,000)

Other Funds

- Commerce—additional funding for the Competitive Technology Program ($3,000,000)
- Commerce—restoration of funding for the Rural Infrastructure Program ($2,000,000)
- Transportation—restoration of funding to meet priority needs for the Transit Capital Improvement Program ($10,000,000)

With the above deletions, revisions and reductions, I hereby approve Senate Bill No 165

GEORGE DEUKMEJIAN, Governor

The people of the State of California do enact as follows:

SECTION 1.00. This act shall be known and may be cited as the "Budget Act of 1989."

SEC. 1.50. (a) In accordance with Section 13338 of the Government Code, as added by Chapter 1284, Statutes of 1978 (AB 3322), and as amended by Chapter 1286, Statutes of 1984 (AB 3372), it is the intent of the Legislature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the State Controller, and provide for the appropriation of federal funds received by the state and deposited in the State Treasury.

(b) Essentially, the format and style are as follows:

(1) Appropriation item numbers have a code which is common to all the state's fiscal systems. The meaning of this common coded item number is as follows:

2720—Organization Code (this code represents the California Highway Patrol)

001—Reference Code (first appropriation for a particular fund for support of each department)

044—Fund Code (Motor Vehicle Account, State Transportation Fund)

(2) Appropriation items are organized in organization code order as reflected in the Governor's Budget.

(3) All the appropriation items, reappropriation items and reversion items, if any, for each department or entity are adjacent to one another.

(4) Federal funds received by the state and deposited in the State Treasury are appropriated in separate items.

(c) The Department of Finance may authorize revisions to the codes used in this act in order to provide compatibility between the codes used in this act and those used in the Governor's Budget and in the records of the State Controller.

(d) Notwithstanding any other provisions of this act, the Department of Finance may revise the schedule of any appropriation made in this act where such revision is of a technical nature and is consistent with legislative intent. Such revisions may include, but shall not be limited to, the substitution of category for program or program for category limitations, the proper categorization of allocated administration costs and cost recoveries, the distribution of any unal-

located amounts within an appropriation and the adjustment of schedules to facilitate departmental accounting operations including the elimination of categories providing for amounts payable from other items or other appropriations and the distribution of unscheduled amounts to programs or categories. Such revisions shall include a certification that the revisions comply with the intent and limitation of expenditures as appropriated by the Legislature.

(e) Notwithstanding any other provision of this act, when the Department of Finance, pursuant to (d) above, approves the schedule or revision of any appropriation relating to the elimination of amounts payable, the language authorizing such transfer shall also be eliminated.

SEC. 2.00 (a). The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1989–90 fiscal year beginning July 1, 1989, and ending June 30, 1990. All of these appropriations, unless otherwise provided herein, shall be paid out of the General Fund in the State Treasury.

(b) Appropriations and reappropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1989–90, 1990–91 and 1991–92 fiscal years, except that appropriations and reappropriations for studies, planning, working drawings, or minor capital outlay, except as provided herein, shall be available for expenditure only during the 1989–90 fiscal year. In addition, the balance of every appropriation made in this act which contains funding for construction that has not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 1990, except as provided herein, shall revert as of that date to the fund from which the appropriation was made.

(c) Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes, to the extent only of the amount herein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

(d) Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item		Amount
0110-001-001—For support of Senate		$68,291,000
Schedule:		
(a) 101001-Salaries of Senators	2,062,000	

Item		Amount
(b) 317295-Mileage	4,000	
(c) 317292-Expenses	909,000	
(d) 500004-Contingent Expenses	58,833,000	
(e) 317296-Automotive Expenses	424,000	
(f) Joint Expenses	6,059,000	

Provisions:

1. The funds appropriated in Schedule (d) are for contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and for support of joint services and joint house operations as provided in Part 2 (commencing with Section 10200) of Division 2 of Title 2 of the Government Code, to be transferred by the State Controller to the Senate Contingent Fund.
2. The funds appropriated in Schedule (e) are for contingent expenses of the Senate relating to the purchase, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund.
3. The funds appropriated in Schedule (f) may be transferred for support of joint services and joint house operations provided for in Article 7 (commencing with Section 9140) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code which are funded under Item 0130-021-001 by the Senate Rules Committee.
4. The funds appropriated by Schedules (a), (b), (c), (e) and (f) may be transferred to the Senate Contingent Fund.

0120-011-001—For support of Assembly 103,424,000

Schedule:

(a) 101001-Salaries of Assemblymembers	3,871,000	
(b) 317295-Mileage	8,000	
(c) 317292-Expenses	1,711,000	
(d) 500004-Contingent Expenses	76,222,000	
(e) 317296-Automotive Expenses	958,000	
(f) Joint Expenses	20,654,000	

Provisions:

1. The funds appropriated in Schedule (d) are for contingent expenses of the Assembly including personal services for officers, clerks and all other

Item		Amount

employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, and for support of joint services and joint house operations as provided in Part 2 (commencing with Section 10200) of Division 2 of Title 2 of the Government Code, to be transferred by the State Controller to the Assembly Contingent Fund.

2. The funds appropriated in Schedule (e) are for contingent expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.
3. The funds appropriated in Schedule (f) may be transferred in support of Item 0160-001-001 by the Assembly Rules Committee.
4. The funds appropriated in Schedule (f) may be transferred in support of joint services and joint house operations provided for in Article 7 (commencing with Section 9140) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code which are funded under Item 0130-021-001 by the Assembly Rules Committee.
5. The funds appropriated by Schedules (a), (b), (c), (e) and (f) may be transferred to the Assembly Contingent Fund.

0130-021-001—For support of joint expenses of the Legislature 0

Schedule:

(a) 317292-Expenses of Joint Committees 7,280,000
(b) Transferred from Item 0110-001-001 ..... −3,640,000
(c) Transferred from Item 0120-011-001 ..... −3,640,000

Provisions:

1. The funds appropriated in category (a) are for the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, available without regard to fiscal years, to be paid on certification of chairpersons of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Committee.

Item		Amount
2. Funds shown in categories (b) and (c) may be transferred from the Assembly Contingent Fund, by the Assembly Rules Committee, and the Senate Contingent Fund, by the Senate Rules Committee.		
0155-001-001—For support of Auditor General, for payment to Auditor General Fund		10,335,000
Schedule:		
(a) Support	10,335,000	
Provisions:		
1. Notwithstanding any provisions of Section 2.00 of this act, this appropriation shall be available for encumbrances without regard to fiscal year.		
2. The Auditor General and his or her employees shall be deemed to be legislative employees for the purposes of Section 20364 of the Government Code.		
0160-001-001—For support of Legislative Counsel Bureau		21,010,000
Schedule:		
(a) Support	31,620,000	
(b) Reimbursements	−131,000	
(c) Reimbursements from Assembly Contingent Fund	−10,479,000	
Provisions:		
1. The funds in category (c) are in addition to any other funds which may be made available and may be transferred from the Assembly Contingent Fund, by resolution of the Assembly or resolution of the Assembly Rules Committee.		
Judicial		
0250-001-001—For support of Judiciary		125,109,000
Schedule:		
(a) 10-Supreme Court	14,314,000	
(b) 20-Courts of Appeal	84,424,000	
(c) 30-Judicial Council	25,538,000	
(d) 40-Commission on Judicial Performance	1,155,000	
(e) Reimbursements	−203,000	
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-044)	−119,000	
Provisions:		
1. Notwithstanding Section 6.50 of this act, the funds appropriated or scheduled in this item		

Item	Amount

may be allocated or reallocated among categories by order of the Judicial Council; however, any allocation or reallocation by the Judicial Council shall be reported to the Director of Finance.

2. The Judicial Council shall notify the chairpersons of the legislative fiscal committees and of the Joint Legislative Budget Committee of any and all of the following expenditures of the Supreme Court, the courts of appeal, the Judicial Council, and the Commission on Judicial Performance within 30 days of implementation:
   (a) Leases with a value of $100,000 or more in one or multiple years.
   (b) Contracts with a value of $50,000 or more in one or multiple years.
   (c) Initiation of new projects or reallocation of existing appropriations which vary from the expenditures approved by the Legislature.

0250-001-044—For support of Judiciary, for payment to Item 0250-001-001, payable from the Motor Vehicle Account, State Transportation Fund 119,000

0250-101-001—For reimbursement of any county, in whose superior court a judge of the municipal court of another county is assigned to sit and which is required by subdivision (b) of Section 68540 of the Government Code to reimburse the other county from which such assignment is made, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county, in whose superior court a judge of its municipal court is assigned to sit, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time its municipal court judge serves on assignment on an appellate court; and for payment to any county of the transportation expenses of a judge assigned to sit on a mu-

Item Amount

nicipal court to replace an absent municipal court judge who has been assigned to sit on a superior court or an appellate court, Program 30, Judicial Council, for payment by the State Controller..... 10,000

0390-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court justices..... 1,631,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 0390-001-001 and Item 0390-101-001.

0390-101-001—For local assistance, for transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges..... 19,948,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 0390-001-001 and Item 0390-101-001.

0420-101-001—For local assistance, Salaries of Superior Court Judges, for the state's share of salaries and health, dental and vision benefits of judges of superior courts, as provided by Section 68206 of the Government Code..... 65,127,000

Schedule:

(a)	State share and advances per Section 68206 of the Government Code for Superior Court judges..	66,317,000
(b)	Reimbursements.....	−1,190,000

0450-101-001—For local assistance, State Block Grants for Trial Court Funding, for implementation of the Trial Court Funding Program as authorized in Chapter 13 (commencing with Section 77000) of Title 8 of the Government Code. 432,156,000

Schedule:

(a)	10-Block Grants for Trial Courts..	378,586,000
(b)	20-Block Grant Supplement for New Judgeships.....	7,895,000
(c)	30-Block Grant Supplement for Salaries of Municipal Court Judges	42,507,000
(d)	40-Block Grant Supplement for Salaries of Justice Court Judges...	3,168,000

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall

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not apply to this item.

0450-495—Reversion, State Block Grants for Trial Court Funding. As of June 30, 1989, the unencumbered balance of all except $500,000 of the appropriation provided in Section 19 of Chapter 944, Statutes of 1988, shall revert from the Court Funding Account to the General Fund. Of the $500,000 retained past June 30, 1989, the unencumbered amount shall revert to the General Fund on September 30, 1989.

0460-001-001—For support, for state's share of cost for membership in National Center for State Courts, Judicial Council of California 226,000

Executive

0500-001-001—For support of Governor and of Governor's office 8,171,000

Schedule:

(a) Support	6,216,000
(b) Governor's Residence (Support) .	25,000
(c) Special Contingent Expenses	30,000
(d) Overseas Offices	1,900,000

Provisions:

1. This appropriation is exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.

0510-001-001—For support of Secretary for State and Consumer Services 799,000

Schedule:

(a) Support	813,000
(b) Reimbursements	−14,000

Provisions:

1. The State and Consumer Services Agency shall: (1) designate a position to oversee agencywide affirmative action programs which focus on underrepresentation issues and achievement of employment parity goals; and (2) establish an advisory committee to assist the agency in its efforts to improve agencywide identification, outreach, recruitment, hiring, training, and promotion of underrepresented groups and to develop initiatives to achieve employment and job category parity for ethnic minorities, women, and the disabled in the state workforce. The advisory committee shall include, but shall not be limited to, the agency designee and a represen-

Item		Amount
tative from each of the departments, boards, and offices reporting to the agency, and shall include representatives of ethnic minorities, women, and the disabled.		
0520-001-001—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-044		417,000
0520-001-044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund		664,000
Schedule:		
(a) 10-Administration of Business, Transportation and Housing Agency	1,602,000	
(b) Reimbursements	−521,000	
(c) Amount payable from the General Fund (Item 0520-001-001)	−417,000	
Provisions:		
1. The Business, Transportation and Housing Agency shall: (1) designate a position to oversee agencywide affirmative action programs which focus on underrepresentation issues and achievement of employment parity goals; and (2) establish an advisory committee to assist the agency in its efforts to improve agencywide identification, outreach, recruitment, hiring, training, and promotion of underrepresented groups and to develop initiatives to achieve employment and job category parity for ethnic minorities, women, and the disabled in the state workforce. The advisory committee shall include, but shall not be limited to, the agency designee and a representative from each of the departments, boards, and offices reporting to the agency, and shall include representatives of ethnic minorities, women, and the disabled.		
0530-001-001—For support of Secretary for Health and Welfare		2,044,000
Schedule:		
(a) Support	3,739,000	
(ax) Special items of expense	75,000	
(b) Reimbursements	−409,000	
(c) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−1,361,000	

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Provisions:

1. Of the amount appropriated by this item, $230,000 shall not be encumbered unless and until legislation establishing the Office of Minority Health Affairs becomes operative.

0530-101-001—For local assistance, Secretary of Health and Welfare 250,000

Provisions:

1. The appropriation made by this item shall not be operative unless and until legislation establishing the Office of Minority Health Affairs becomes operative.

0540-001-001—For support of Secretary for Resources. 1,338,000

Schedule:

(a) 10-Administration of Resources Agency 1,446,000
(b) Reimbursements ..... −33,000
(c) Amount payable from the California Environmental License Plate Fund (Item 0540-001-140) ..... −75,000

Provisions:

1. The Resources Agency shall: (1) designate a position to oversee agencywide affirmative action programs which focus on underrepresentation issues and achievement of employment parity goals; and (2) establish an advisory committee to assist the agency in its efforts to improve agencywide identification, outreach, recruitment, hiring, training, and promotion of underrepresented groups and to develop initiatives to achieve employment and job category parity for ethnic minorities, women, and the disabled in the state workforce. The advisory committee shall include, but shall not be limited to, the agency designee and a representative from each of the departments, boards, and offices reporting to the agency, and shall include representatives of ethnic minorities, women, and the disabled.

0540-001-140—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the California Environmental License Plate Fund 75,000

0550-001-001—For support of Secretary for Youth and Adult Correctional Agency, Program 10—Correctional Programs 929,000

Provisions:

1. The Youth and Adult Correctional Agency shall:

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(1) designate a position to oversee agencywide affirmative action programs which focus on underrepresentation issues and achievement of employment parity goals; and (2) establish an advisory committee to assist the agency in its efforts to improve agencywide identification, outreach, recruitment, hiring, training, and promotion of underrepresented groups and to develop initiatives to achieve employment and job category parity for ethnic minorities, women, and the disabled in the state workforce. The advisory committee shall include, but shall not be limited to, the agency designee and a representative from each of the departments, boards, and offices reporting to the agency, and shall include representatives of ethnic minorities, women, and the disabled.		
0580-001-001—For support of Office of California-Mexico Affairs, Program 10		279,000
0585-001-001—For transfer by the State Controller from the General Fund to the California State World Trade Commission Fund for support of California State World Trade Commission		2,015,000
0585-001-981—For support of California State World Trade Commission, payable from the California State World Trade Commission Fund		2,015,000
Schedule:		
(a) 100000-Personal Services	882,000	
(b) 300000-Operating Expenses and Equipment	1,133,000	
0585-011-981—For transfer by the State Controller, notwithstanding any other provisions of law, from the California State World Trade Commission Fund to the California Export Promotion Account		(25,000)
Provisions:		
1. The Department of Finance may adjust the amount to be transferred to reflect the actual revenues available.		
0650-001-001—For support of Office of Planning and Research		4,167,000
Schedule:		
(a) 11-State Planning and Policy Development	4,467,000	
(b) Reimbursements	−107,000	
(c) Amount payable from the Federal Trust Fund (Item 0650-001-890)	−193,000	

Item		Amount
0650-001-890—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Federal Trust Fund		193,000
0650-490—Reappropriation, Office of Planning and Research. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations, and shall be available for expenditure until June 30, 1991.		
429—Local Jurisdiction Energy Assistance Account		
(1) Section 2 (d), Chapter 1343, Statutes of 1986—School District Energy Conservation and Development Projects.		
853—Petroleum Violation Escrow Account:		
(1) Section 10(b) and (c), Chapter 1338, Statutes of 1986—State Assistance Fund for Energy, California Business and Industrial Development Corporation (SAFEBIDCO) and Small Business energy assistance accounting assistance programs.		
(2) Section 13(b)(1), (b)(2), Chapter 1339, Statutes of 1986—Department of Commerce and the Native American Program.		
0690-001-001—For support of Office of Emergency Services, California Emergency Council and Advisory Committees		10,233,000
Schedule:		
(a) 15-Mutual Aid Response	5,955,000	
(b) 35-Plans and Preparedness	11,274,000	
(c) 45-Disaster Assistance	1,707,000	
(d) 55.01-Administration and Executive	1,762,000	
(e) 55.02-Distributed Administration and Executive	−1,762,000	
(f) Reimbursements	−683,000	
(g) Amount payable from the Hazardous Waste Control Account, General Fund (Item 0690-001-014)	−1,405,000	
(h) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-029)	−980,000	
(i) Amount payable from the Federal Trust Fund (Item 0690-001-890)	−4,721,000	

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(j) Amount payable from the Southern California Earthquake Account (Ch. 7, First Extraordinary Session, Statutes of 1987) ..... —914,000

Provisions:

1. Funds appropriated by this item may be reduced by the Director of Finance, after giving notice to the Chairperson of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-890.
2. The office shall charge tuition for all training offered through the California Specialized Training Institute.
3. The funds deposited in the Hazardous Waste Control Account may be expended by the Department of Health Services, upon appropriation by the Legislature, for the purposes listed in Section 25174 of the Health and Safety Code as added by Chapter 1506 of the Statutes of 1986, and for the Office of Emergency Services for support of the state's program to implement Title III of the Emergency Planning and Community Right-to-Know Act of 1986, (42 U.S.C. Sec. 11001 et seq.).

0690-001-014—For support of the Office of Emergency Services, California Emergency Council and Advisory Committee and for support of the Superfund Reauthorization Act, Title III, Emergency Planning and Community Right-to-Know Act of 1986, for payment to Item 0690-001-001, payable from the Hazardous Waste Control Account, General Fund 1,405,000

0690-001-029—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, for payment to Item 0690-001-001, payable from the Nuclear Planning Assessment Special Account 980,000

0690-001-890—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, for payment to Item 0690-001-001, payable from the Federal Trust Fund 4,721,000

Provisions:

1. No funds, either state or federal, shall be expended by any state agency for developing or implementing "crisis relocation planning," or

Item		Amount
for any planning whose primary or exclusive purpose is to effect a mass evacuation of California's civilian population, in the event of the threat of a nuclear war.		
If, as a result of this section, the Federal Emergency Management Agency (FEMA) withholds other federal funds whose purposes are the support of California's emergency planning and preparedness for civilian and natural disasters, and if the court of original jurisdiction upholds the legality of such action by FEMA, then the implementation of this section shall be suspended until judicial appeals have been exhausted or Congress prohibits this action by FEMA.		
0690-101-029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account		1,778,000
0690-101-890—For local assistance, Office of Emergency Services, Program 45—Disaster Assistance, payable from the Federal Trust Fund		38,013,000
Provisions:		
1. The funds appropriated by this item are exempt from Section 28.00 of this act.		
0750-001-001—For support of Office of the Lieutenant Governor		1,514,000
Schedule:		
(a) 10-General Activities	1,584,000	
(b) Reimbursements	−70,000	
0820-001-001—For support of Department of Justice		166,035,000
Schedule:		
(a) 11.01-Executive-Administration	45,279,000	
(b) 11.02-Distributed Executive-Administration	−45,279,000	
(c) 25-Executive Programs	5,525,000	
(d) 30-Civil Law	37,937,000	
(e) 40-Criminal Law	44,043,000	
(f) 45-Public Rights	23,210,000	
(g) 50-Law Enforcement	139,221,000	
(h) Reimbursements	−37,111,000	
(i) Amount payable from the Attorney General's Antitrust Account, General Fund (Item 0820-001-012)	−444,000	

Item		Amount
(j)	Amount payable from the Hazardous Waste Control Account, General Fund (Item 0820-001-014)	−1,104,000
(k)	Amount payable from the Fingerprint Fees Account, General Fund (Item 0820-001-017)	−14,964,000
(m)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-044) .	−15,296,000
(n)	Amount payable from the Hazardous Substance Account, General Fund (Item 0820-001-455)	−1,586,000
(o)	Amount payable from the Dealers' Record of Sale Special Account, General Fund (Item 0820-001-460)	−989,000
(p)	Amount payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO) (Item 0820-001-469) ...	−500,000
(q)	Amount payable from the Gaming Registration Account, General Fund (Item 0820-001-477)	−293,000
(r)	Amount payable from the Federal Trust Fund (Item 0820-001-890) ..	−9,338,000
(s)	Amount payable from the Federal Forfeiture Account, Special Deposit Fund (Item 0820-001-942) ...	−2,048,000
(t)	Amount payable from the State Forfeiture Account, Special Deposit Fund (Item 0820-011-942) ...	−228,000

Provisions:

1. The Attorney General shall submit to the Legislature, the Department of Finance and the Governor the quarterly and annual reports which he or she submits to the federal government on the activities of the Medi-Cal Fraud Unit.
2. Notwithstanding any other provision of law, the Department of Justice may purchase vehicles of any type or class, which in the judgment of the Attorney General or his or her designee are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in this item.
3. Any funds received by the Department of Jus-

Item		Amount
	tice as reimbursements for legal services provided by the Civil Law Program in excess of $22,301,000, and by the Public Rights Program in excess of $2,903,000, plus amounts for employee compensation adjustments, shall revert to the unappropriated surplus of the General Fund unless the Director of Finance authorizes the expenditure of the reimbursements and notification of the additional expenditure authority is provided to the Legislature pursuant to Section 28.00.	
	4. Of the amount appropriated in this item, $137,000 shall be used to administer the CAMP program and develop guidelines and criteria for distributing the local assistance funds for the CAMP program for the 1990–91 fiscal year. The criteria shall identify and consider measures of the marijuana problem in various counties and establish quantifiable objectives as a prerequisite for funding eligibility.	
0820-001-012—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Attorney General's Antitrust Account, General Fund		444,000
0820-001-014—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Hazardous Waste Control Account, General Fund		1,104,000
0820-001-017—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Fingerprint Fees Account, General Fund, pursuant to subdivision (e) of Section 11105 of the Penal Code		14,964,000
0820-001-044—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Motor Vehicle Account, State Transportation Fund		15,296,000
0820-001-455—For support of the Department of Justice, for payment to Item 0820-001-001, payable from the Hazardous Substance Account, General Fund		1,586,000
0820-001-460—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Dealers' Record of Sale Special Account, General Fund		989,000
	Provisions:	
	1. Dealer Record of Sale fees collected pursuant to	

Item	Amount
the state law for the registration of assault weapons shall not exceed $20 per registrant.	
0820-001-469—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO), General Fund	500,000
0820-001-477—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Gaming Registration Account, General Fund.	293,000
Provisions:	
1. Upon the effective date of the California Gaming Commission Act (AB 235 of the 1989–90 Regular Session), the Director of Finance shall, in accordance with Section 16304.9 of the Government Code, direct the transfer of any unencumbered balance of any appropriation for use by the Attorney General pursuant to the Gaming Registration Act and the unexpended balance in the Gaming Registration Fund.	
0820-001-890—For support of Department of Justice for payment to Item 0820-001-001, payable from the Federal Trust Fund	9,338,000
0820-001-942—For support of Department of Justice for payment to Item 0820-001-001, payable from the Federal Forfeiture Account, Special Deposit Fund ..	2,048,000
0820-011-012—For transfer to the General Fund, payable from the first $600,000 in revenues in the Attorney General's Antitrust Account, General Fund.....	(600,000)
0820-011-017—For transfer to the General Fund, payable from the Fingerprint Fees Account	(335,000)
0820-011-942—For support of Department of Justice for payment to Item 0820-001-001, payable from the State Forfeiture Account, Special Deposit Fund...	228,000
0820-101-001—For local assistance, Department of Justice, Program 50, Law Enforcement, for allocation by the State Controller to counties with a population under 1,250,000 to reimburse specified costs associated with the Clandestine Laboratory Enforcement Program	2,763,000
Provisions:	
1. Of the amount appropriated in this item, $2,613,000 is for local assistance to Humboldt, Mendocino, Trinity, and Butte Counties for costs associated directly with the eradication of marijuana production. The counties shall file claims for payment of these allocations directly	

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with the State Controller.		
(a) The State Controller shall allocate these funds to the counties as follows: Humboldt, $383,000; Trinity, $127,000; Mendocino, $383,000; Butte, $220,000.		
(b) The State Controller shall allocate these funds to the sheriff's department in each of those counties as follows: Humboldt, $500,000; Trinity, $250,000; Mendocino, $500,000; Butte, $250,000.		
0840-001-001—For support of State Controller		69,003,000
Schedule:		
(a) 100000-Personal Services	59,700,000	
(b) 300000-Operating Expenses and Equipment	37,043,000	
(c) Reimbursements	−21,267,000	
(d) Amount payable from the Aeronautics Account, State Transportation Fund (Item 0840-001-041)	−173,000	
(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061)	−2,474,000	
(f) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-344)	−261,000	
(g) Amount payable from the State School Building Aid Fund (Item 0840-001-739)	−378,000	
(h) Amount payable from Public Employees' Health Care Fund (Item 0840-001-822)	−1,205,000	
(i) Amount payable from the Federal Trust Fund (Item 0840-001-890)	−1,682,000	
(j) Amount payable from the Assessment Fund (Item 0840-001-903)	−143,000	
(k) Amount payable from nongovernmental cost funds, Retail Sales Tax Fund (Item 0840-001-988)	−157,000	
Provisions:		
1. The appropriation made by this item shall be in lieu of any Cigarette Tax Fund allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1989–90 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1989–90 fiscal year.		

Item	Amount
2. The appropriation made by this item shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of that code.	
3. To the extent that federal funds are received by the State Controller for audits in categories (a) and (b) covered by the joint cooperative audit agreement between the United States Department of the Interior Mineral Management Services Division and the State Controller's office, pursuant to the terms of the 1982 Mineral Act, exceed $364,000, these excess federal funds shall be utilized to reduce the General Fund participation in this program. General Fund moneys which are not needed because of the use of these federal funds shall not be expended by the State Controller.	
4. 1.9 personnel years reestablished for the Mandate Claims Unit may only be used to develop criteria to automate the mandated claims process. This unit shall keep the Department of Finance and the Joint Legislative Budget Committee apprised of the progress of the automation project on a periodic basis.	
0840-001-041—For support of State Controller, for payment to Item 0840-001-001, payable from the Aeronautics Account, State Transportation Fund.....	173,000
0840-001-061—For support of State Controller, for payment to Item 0840-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund.....	2,474,000
0840-001-344—For support of State Controller, for payment to Item 0840-001-001, payable from the State School Building Lease-Purchase Fund.....	261,000
0840-001-739—For support of State Controller, for payment to Item 0840-001-001, payable from the State School Building Aid Fund.....	378,000
0840-001-822—For support of State Controller, for payment to Item 0840-001-001, payable from nongovernmental cost funds (Public Employees' Health Care Fund)	1,205,000

Item			Amount
0840-001-890—For support of State Controller, for payment to Item 0840-001-001, payable from the Federal Trust Fund			1,682,000
0840-001-903—For support of State Controller, for payment to Item 0840-001-001, payable from the Assessment Fund			143,000
0840-001-988—For support of State Controller, for payment to Item 0840-001-001, payable from nongovernmental cost funds (Retail Sales Tax Fund)			157,000
0860-001-001—For support of State Board of Equalization			108,615,000
Schedule:			
(a) 100000-Personal Services	132,661,000		
(b) 300000-Operating Expenses and Equipment	36,878,000		
(c) Reimbursements	−48,295,000		
(d) Amount payable from the Hazardous Waste Control Account, General Fund (Item 0860-001-014)	−2,358,000		
(e) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022)	−417,000		
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061)	−4,799,000		
(g) Amount payable from the Cigarette Tax Fund (Item 0860-001-086)	−1,714,000		
(h) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-230)	−554,000		
(i) Amount payable from the Solid Waste Disposal Site and Maintenance Account, General Fund (Item 0860-001-435)	−244,000		
(j) Amount payable from the Hazardous Substances Account, General Fund (Item 0860-001-455)	−328,000		
(k) Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-465)	−77,000		
(*l*) Amount payable from the Timber Tax Fund (Item 0860-001-965)	−2,138,000		

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Provisions: 1. The $1,714,000 appropriated from the Cigarette Tax Fund, shall be allocated for funding 50 percent of the direct cost of the County Surveys activity. The State Controller shall deduct the amount appropriated in Item 0860-001-086 from the amount allocated to cities and counties pursuant to Sections 30462 and 30463 of the Revenue and Taxation Code. 2. The Director of Finance shall adjust the amount appropriated by this item by the amount of estimated total charges levied pursuant to Section 7204.3 of the Revenue and Taxation Code when that amount is either in excess of or less than $29,127,000 and the amount of estimated total charges levied pursuant to Section 7273 of the Revenue and Taxation Code when that amount is either in excess of or less than $18,630,000.	
0860-001-014—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Hazardous Waste Control Account, General Fund	2,358,000
0860-001-022—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the State Emergency Telephone Number Special Account, General Fund	417,000
0860-001-061—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund	4,799,000
0860-001-086—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Cigarette Tax Fund	1,714,000
0860-001-230—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Cigarette and Tobacco Products Surtax Fund	554,000
0860-001-435—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Solid Waste Disposal Site and Maintenance Account, General Fund	244,000
0860-001-455—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Hazardous Substances Account, General Fund	328,000

Item			Amount
0860-001-465—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Energy Resources Programs Account, General Fund			77,000
0860-001-965—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Timber Tax Fund			2,138,000
0890-001-001—For support of Secretary of State			22,571,000
Schedule:			
(a) 100000-Personal Services	12,575,000		
(b) 300000-Operating Expenses and Equipment	8,593,000		
(c) Special Item of Expense Election Related Costs	4,242,000		
(d) Reimbursements	−2,839,000		
Provisions:			
1. Of the funds appropriated in categories (a), $515,000, and (b), $90,000, shall be made available for twenty additional positions in Corporate Filing. These positions shall not be established until legislation has been chaptered which would authorize the Secretary of State's office to generate sufficient revenues to offset the cost of the positions and approval has been obtained from the Department of Finance.			
0950-001-001—For support of State Treasurer			6,525,000
Schedule:			
(a) 100000-Personal Services	8,394,000		
(b) 300000-Operating Expenses and Equipment	4,698,000		
(c) Reimbursements	−6,567,000		
0956-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advisory Commission Fund			1,125,000
Schedule:			
(a) 100000-Personal Services	620,000		
(b) 300000-Operating Expenses and Equipment	505,000		
Provisions:			
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Commit-			

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tee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

0959-001-169—For support of California Debt Limit Allocation Committee payable from the California Debt Limit Allocation Committee Fund 316,869

Schedule:

(a) 100000-Personal Services..... 178,852

(b) 300000-Operating Expenses and Equipment..... 138,017

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Limit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

0965-001-215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund..... 380,000

Schedule:

(a) 100000—Personal Services..... 203,000

(b) 300000—Operating Expenses and Equipment..... 177,000

Provisions:

1. Not more than $190,000 of the funds appropriated in this item shall be authorized to be expended prior to January 1, 1990.
2. The remaining funds appropriated in this item shall be expended after January 1, 1990, only upon the enactment of legislation amending Section 4.5 of Chapter 1109, Statutes of 1987, to extend the authority of the commission beyond January 1, 1990.
3. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Industrial Development Financing Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint

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Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		
0968-001-457—For support of California Mortgage Bond and Tax Credit Allocation Committee, payable from the Mortgage Bond and Tax Credit Allocation Fee Account, General Fund		516,138
Schedule:		
(a) 100000—Personal Services	295,704	
(b) 300000—Operating Expenses and Equipment	220,434	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Mortgage Bond and Tax Credit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		
0971-001-731—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund		155,000
Schedule:		
(a) 100000—Personal Services	104,000	
(b) 300000—Operating Expenses and Equipment	51,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Alternative Energy Source Financing Authority in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		

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0994-001-001—For support of California Task Force to Promote Self-Esteem, and Personal and Social Responsibility 257,000

STATE AND CONSUMER SERVICES

1100-001-001—For support of Museum of Science and Industry 8,653,000

Schedule:

(a) 100000-Personal Services 4,908,000

(b) 300000-Operating Expenses and Equipment 3,900,000

(c) Reimbursements ..... —155,000

Provisions:

1. The California Museum of Science and Industry shall notify the Legislature of its intent to enter into contractual arrangements which involve the California Museum Foundation. The Managing Director shall provide the Legislature with copies of all such executed contracts.
2. The Director of General Services may not approve a contract, permit, or lease agreement by the museum (excluding those for museum exhibits) which reduces state revenues or increases state costs by $25,000 or more unless, not sooner than 30 days prior to giving his or her approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee notification of the director's intent to approve such contract, permit, or lease, or not sooner than such lesser time as the chairperson may in each instance determine. This provision shall have no effect as to those contracts that the legislative fiscal committees have examined as part of the budget process or otherwise.
3. Of the funds appropriated in this item, $1,274,000 from the General Fund and $38,000 in reimbursements shall be made available to support the California Afro-American Museum.
4. No money shall be expended from this item for a contract for fundraising activities until at least a net amount equal to the amount proposed to be expended for these purposes has been raised in cash or pledges for museum exhibits or the education program pursuant to such contract. Claims for interim payments of the fundraising contract may not exceed the amount of cash or

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pledges raised by the contractor up to the amount of the contract.

5. The Board of Directors and the Managing Director of the museum, not later than August 2, 1989, shall exercise the right to terminate the Revised Agreement made and entered into the 1st day of September 1987 by and between the California Museum of Science and Industry and the California Museum Foundation of Los Angeles.

The museum shall notify the California Museum Foundation of the termination as provided for in Section 15 of the agreement. The museum shall not enter into a new agreement with the California Museum Foundation unless it determines that such an agreement is in the best interests of the state.

The term of any new agreement shall not exceed three years and the agreement shall include the following provisions: (a) the right of the museum to terminate the agreement upon six months prior notice; and (b) a provision that the museum shall not expend, and the foundation shall not accept, state funds to support general operating costs of the foundation.

6. The museum Board of Directors shall maintain sole discretion and authority regarding the selection and appointment of museum staff.

1100-001-267—For support of California Museum of Science and Industry, payable from the Exposition Park Improvement Fund 1,035,000

Provisions:

1. Of the amount appropriated in this item, $216,000 shall be available to complete acquisition of a land parcel commonly known as 3981 South Menlo, Los Angeles, California 90037, recorded in book number 5037, page 027, parcel 004, legal description tract MR 4 352, in the official records of the County Recorder, County of Los Angeles.
2. No funds shall be expended in this item for costs associated with a museum police force unless and until the museum has obtained approval of its security plans by the State Police in accordance with the requirements of Section 2615 of the State Administrative Manual.

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1108-001-001—For support of the California Aerospace Commission		350,000
Provisions:		
1. The appropriation made by this item shall not be operative unless and until legislation establishing the California Aerospace Commission becomes operative.		
1108-301-036—For capital outlay, California Aerospace Commission, payable from the Special Account for Capital Outlay		600,000
Schedule:		
(a) 10.10.000—California Air and Space Center, architectural and engineering studies or plans and site preparation	600,000	
Provisions:		
1. The appropriation made by this item shall not be operative unless and until legislation establishing the California Aerospace Commission becomes operative.		
2. The expenditure of funds appropriated by this item shall be subject to the normal review and approval process for Capital Outlay projects as established in the Government Code and the State Administrative Manual.		
1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund		5,555,000
Schedule:		
(a) 3-Board of Accountancy	5,574,000	
(b) Reimbursements	−19,000	
1130-004-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund		3,152,000
Schedule:		
(a) 6-Board of Architectural Examiners	3,157,000	
(b) Reimbursements	−5,000	
1140-006-001—For support of State Athletic Commission		774,000
Schedule:		
(a) 9-State Athletic Commission	947,000	
(b) Amount payable from the Boxers Neurological Examination Account (Item 1140-006-492)	−173,000	

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1140-006-492—For support of the Athletic Commission, for payment to Item 1140-006-001, payable from the Boxers Neurological Examination Account.....		173,000
1150-008-421—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Vehicle Inspection and Repair Fund.		56,558,000
Schedule:		
(a) 12-Bureau of Automotive Repair..	56,676,000	
(b) Reimbursements.....	−118,000	
Provisions:		
1. Notwithstanding Section 44061 of the Health and Safety Code, the Office of the State Controller shall transfer $10,000,000 of reserve funds from the Vehicle Inspection and Repair Fund to the unappropriated surplus of the General Fund as of June 30, 1989.		
1160-010-713—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund		899,000
Schedule:		
(a) 15-State Board of Barber Examiners.....	900,000	
(b) Reimbursements.....	−1,000	
1170-012-773—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund.....		2,148,000
Schedule:		
(a) 18-Board of Behavioral Science Examiners.....	2,174,000	
(b) Reimbursements.....	−26,000	
1180-014-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund..		318,000
1200-016-157—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund..		812,000
Schedule:		
(a) 24.10.010-Collection Agencies.....	819,000	
(b) Reimbursements.....	−7,000	
1210-018-769—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund.....		3,598,000
Schedule:		
(a) 24.20-Private Investigators	4,998,000	
(b) 24.20.020-Distributed Private Investigators.....	−28,000	
(c) Reimbursements.....	−1,372,000	

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1230-020-735—For support of Contractors' State License Board, payable from the Contractors' License Fund 28,915,000

Schedule:

(a) 30-Contractors' State License Board 28,968,000

(b) Reimbursements ..... −53,000

Provisions:

1. No funds appropriated by this item may be encumbered for any services of the Attorney General which are in excess of the amounts budgeted therefor sooner than 30 days after written notification by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee.
2. In expending funds appropriated pursuant to this item, the board shall give first priority to completing complaint mediation and investigation of all consumer complaints and complaints from industry sources. The board shall give second priority to investigation of applications at the level of 3 percent of all applications received by the board.

   No other complaints and investigations shall be processed if either of the following exists:

   (a) Consumer complaints are not mediated or investigated within a median time of 90 days of receipt by the board.

   (b) Application investigations are not completed within a median time of 90 days of receipt by the board.
3. The board shall report quarterly to the Joint Legislative Budget Committee and the relevant policy and fiscal committees of the Legislature all of the following:

   (a) The number of consumer complaints and application investigations.

   (b) The median time expended by the board in closing consumer complaints and application investigations.

   (c) The number of application and complaint investigations that exceed 90 days.

   (d) If other complaints have been mediated or investigated during the quarter and consumer complaints or application investigations are not being completed within a median time of 90 days, the board shall re-

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	port the type and number of those cases, as well as the reasons for their priority treatment.	
	(e) The status of filling all authorized enforcement positions.	
	4. For purposes of Provisions 2, 3, and 5:	
	(a) "Consumer complaint" means a complaint which is directly received from the public.	
	(b) "Completed mediation" means a complaint that is closed, or referred to formal investigation, by a consumer services representative.	
	(c) "Completed investigation" means a complaint that has been investigated by a deputy registrar and is closed or awaiting formal disciplinary action.	
	5. During the course of mediation and investigation of consumer complaints, the board shall send a copy to the complainant of any notification sent to the defendant.	
	6. The Contractors' State License Board shall reduce its fees to levels that result in a reserve of no more than six months, or 50 percent, of its annual operating expenditures by June 30, 1991.	
	7. Of the amount appropriated in this item, at least $1,055,000 shall be dedicated to establishing a special investigation unit for the purpose of combating the unlicensed contractor problem in the state.	
1240-022-738—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund		3,642,000
Schedule:		
(a) 33-State Board of Cosmetology	3,663,000	
(b) Reimbursements	−21,000	
1260-024-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		2,844,000
Schedule:		
(a) 36-Board of Dental Examiners	2,907,000	
(b) Reimbursements	−63,000	
1270-026-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund		758,000
Schedule:		
(a) 36-Board of Dental Examiners	762,000	

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(b) Reimbursements	−4,000	
1280-028-325—For support of Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, Program 39, payable from the Electronic and Appliance Repair Fund		1,272,000
1300-030-180—For support of Bureau of Personnel Services, Department of Consumer Affairs, Program 42, payable from the Bureau of Personnel Services Fund		405,000
1330-036-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		535,000
Schedule:		
(a) 48-State Board of Funeral Directors and Embalmers	539,000	
(b) Reimbursements	−4,000	
1340-038-205—For support of State Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund		260,000
1350-040-001—For support of State Board of Guide Dogs for the Blind, Program 54		74,000
1360-042-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, Program 57, payable from the Bureau of Home Furnishings Fund		2,381,000
1360-042-753—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Dry Cleaning Account, Bureau of Home Furnishings Fund		48,000
1370-044-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund		455,000
1390-046-758—For support of Board of Medical Quality Assurance of the State of California, payable from the Contingent Fund of the Board of Medical Quality Assurance		17,959,598
Schedule:		
(a) 63.10.010-Board of Medical Quality Assurance	18,919,598	
(b) 63.15-Registered Dispensing Opticians	173,000	
(c) 63.10.020-Distributed Board of Medical Quality Assurance	−781,000	
(d) Reimbursements	−179,000	
(e) Amount payable from the Dispensing Optician's Fund (Item 1390-047-175)	−173,000	

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Provisions:

1. Of the amount appropriated in this item, $200,000 shall be used to implement toll-free 800 numbers for the purpose of facilitating the receipt of consumer complaints to the board's district offices regarding, among other things, gross negligence by physicians in this state.
2. Of the amount appropriated in this item, $2,353,000 shall be used to provide urgent attention to the growing backlog of unassigned and pending consumer complaints which, among other things, demonstrate actual or a high potential for patient harm. Specifically, the funds shall be used to add 10 investigators, 2 supervising investigators, and 6 professional/clerical support positions to handle permanent increases in investigative caseloads. In addition, the funds shall be used to add 8 investigative and 2 professional support positions on a two-year limited term basis to reduce backlogged cases.
3. Notwithstanding paragraph (3) of subdivision (e) of Section 2435 of the Business and Professions Code, the Board of Medical Quality Assurance may maintain less than a four-month reserve in order to accommodate the appropriations made by this act until the board adjusts its biennial renewal fee to allow the accrual of such a reserve.
4. Of the funds appropriated under this item, $100,000 shall be used to develop an educational and technical assistance program to assist physicians and surgeons in gaining knowledge in (1) Medi-Cal reimbursement, billing, and other related procedures and (2) Medi-Cal fiscal intermediaries procedures to assist physicians in receiving Medi-Cal reimbursements. This educational program shall focus on assisting physicians and surgeons who operate a small practice, such as a sole practitioner, or with a practice located in a rural and medically deficient area. The board shall report to the fiscal committees by December 15, 1989, on this program.

1390-047-175—For support of Dispensing Opticians, Board of Medical Quality Assurance of the State of California, for payment to Item 1390-046-758, payable from the Dispensing Optician's Fund 173,000

Item Amount

1400-048-108—For support of Acupuncture Examining Committee, Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund 279,000

Schedule:

(a) 63.20-Acupuncture Examining Committee 279,000

Provisions:

1. It is the intent of the Legislature that funding provided in this item is for operation of the Acupuncture Examining Committee (AEC) through December 31, 1989, during which time the committee shall enter into a contract with an independent consultant for a new acupuncture licensure examination, which shall be administered by June 30, 1990. Funds appropriated in this item shall only be expended in accordance with all of the following:
   (a) None of the funds in this item shall be expended to administer a licensure examination during the 1989–90 fiscal year, unless it is the examination contracted for pursuant to this provision.
   (b) Up to $100,000 appropriated in this item shall be used to contract with a consultant for a new acupuncture licensure examination not later than December 31, 1989.
   (c) The Central Testing Unit (CTU) within the Department of Consumer Affairs shall draft and administer the contract for a new examination in consultation with the AEC.
   (d) The CTU shall select the consultant responsible for developing the new acupuncture licensure examination, and shall oversee the administration of the examination, including the selection of examination proctors and the provisions for overall examination security.
   (e) The consultant shall, at a minimum, be responsible for the selection and translation of examination questions and the grading, weighting, and scoring of the examination.
   (f) For purposes of this provision, "new acupuncture licensure examination" may include an examination developed by a recognized national acupuncture certification association.

Item		Amount
(g) The AEC and CTU shall submit a report on the status of contracting for the new examination to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees by October 1, 1989.		
1410-050-208—For support of Hearing Aid Dispensers Examining Committee, Board of Medical Quality Assurance of the State of California, payable from the Hearing Aid Dispensers Fund		295,000
Schedule:		
(a) 63.30-Hearing Aid Dispensers Examining Committee	299,000	
(b) Reimbursements	−4,000	
1420-052-759—For support of Physical Therapy Examining Committee, Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund		400,000
Schedule:		
(a) 63.40-Physical Therapy Examining Committee	420,000	
(b) Reimbursements	−20,000	
1430-054-280—For support of Physician's Assistant Examining Committee, Board of Medical Quality Assurance of the State of California, payable from the Physician's Assistant Fund		407,000
Schedule:		
(a) 63.50-Physician's Assistant Examining Committee	410,000	
(b) Reimbursements	−3,000	
1440-056-295—For support of Podiatry Examining Committee, Board of Medical Quality Assurance of the State of California payable from the Podiatry Fund		736,000
Schedule:		
(a) 63.60-Podiatry Examining Committee	740,000	
(b) Reimbursements	−4,000	
1450-058-310—For support of the Psychology Examining Committee, Board of Medical Quality Assurance of the State of California, payable from the Psychology Fund		1,031,000
Schedule:		
(a) 63.70-Psychology Examining Committee	1,068,000	
(b) Reimbursements	−37,000	

Item		Amount
1455-059-319—For support of Respiratory Care Examining Committee, Board of Medical Quality Assurance of the State of California, payable from the Respiratory Care Fund		601,000
Schedule:		
(a) 63.75-Respiratory Care Examining Committee	627,000	
(b) Reimbursements	−26,000	
1460-060-376—For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund		244,000
Schedule:		
(a) 63.80-Speech Pathology and Audiology Committee	256,000	
(b) Reimbursements	−12,000	
1470-062-260—For support of State Board of Examiners of Nursing Home Administrators payable from the Nursing Home Administrator's State License Examining Board Fund		368,000
Schedule:		
(a) 66-State Board of Examiners of Nursing Home Administrators	369,000	
(b) Reimbursements	−1,000	
1480-064-763—For support of State Board of Optometry, payable from the State Optometry Fund		540,966
Schedule:		
(a) 69-Board of Optometry	546,966	
(b) Reimbursements	−6,000	
Provisions:		
1. Of the funds appropriated by this item, $111,966 shall be used for 3.5 personnel years to administer a second licensure examination during the year.		
1490-066-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		3,007,000
Schedule:		
(a) 72-Board of Pharmacy	3,051,000	
(b) Reimbursements	−44,000	
1495-067-297—For support of Polygraph Examiners Board, Program 74, payable from the Polygraph Examiners Fund		41,000
1500-068-770—For support of State Board of Registration for Professional Engineers and Land Surveyors, payable from the Professional Engineers' and Land Surveyors' Fund		3,784,000

Item		Amount
Schedule:		
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	3,788,000	
(b) Reimbursements	−4,000	
1510-070-761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund		7,866,000
Schedule:		
(a) 78-Board of Registered Nursing	8,380,000	
(b) Reimbursements	−514,000	
Provisions:		
1. Of the amount appropriated in this item, up to $250,000 shall be used by the Board of Registered Nurses for research and data collection of health occupations information on registered nurses.		
1520-072-771—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		435,000
Schedule:		
(a) 81-Certified Shorthand Reporters Board	436,000	
(b) Reimbursements	−1,000	
1530-074-399—For support of the Structural Pest Control Board, for payment to Item 1530-074-775, payable from the Structural Pest Control Education and Enforcement Fund		196,000
1530-074-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		2,038,000
Schedule:		
(a) 84-Structural Pest Control Board	2,236,000	
(b) Reimbursement	−2,000	
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1530-074-399)	−196,000	
1540-076-406—For support of Tax Preparers Program, payable from the Tax Preparers Fund		809,000
Schedule:		
(a) 87-Tax Preparers Program	824,000	
(b) Reimbursements	−15,000	
1560-078-777—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund		782,000

Item		Amount
Schedule:		
(a) 90.10.010-Board of Examiners in Veterinary Medicine	879,000	
(b) Reimbursements	−97,000	
1570-080-118—For support of Board of Examiners in Veterinary Medicine, Program 90, payable from the Animal Health Technician Examining Committee Fund		105,000
1590-082-779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund, Vocational Nurse Account		2,984,000
Schedule:		
(a) 91-Vocational Nurses	3,000,000	
(b) Reimbursements	−16,000	
1600-084-780—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, Program 91, payable from the Vocational Nurse and Psychiatric Technician Examiners Fund, Psychiatric Technicians Account		711,000
Provisions:		
1. The amount appropriated from this item is from the moneys deposited under the provisions of Section 4547 of the Business and Professions Code.		
1640-086-001—For support of Division of Consumer Services, Department of Consumer Affairs		1,400,000
Schedule:		
(a) 93-Division of Consumer Services	1,426,000	
(b) Reimbursements	−26,000	
1655-090-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund		1,724,000
Schedule:		
(a) 93.01-Division of Consumer Services	1,143,000	
(b) 94.01.010-Division of Administration	7,386,000	
(c) 94.01.020-Division of Investigation	4,313,000	
(d) 94.01.030-Building Maintenance and Operation	1,724,000	
(e) 93.02-Distributed Division of Consumer Services	−1,143,000	
(f) Division of Technology	4,383,000	
(g) 94.02-Distributed Administration	−11,487,000	
(h) Distributed Division of Technology	−4,364,000	

Item		Amount
(i) Reimbursements	−231,000	
Provisions:		
1. The Department of Consumer Affairs shall transfer by June 30, 1989, $2,688,000 from the Consumer Affairs Fund to the General Fund and to the special funds from which the rents were paid over the past three years, in amounts determined by the Department of Consumer Affairs and approved by the Department of General Services.		
1655-301-702—For capital outlay, Department of Consumer Affairs, payable from the Consumer Affairs Fund		203,000
Schedule:		
(a) 98.20.001—Minor Project	112,000	
(b) 98.30.001—Sacramento-Office Building, Handicap Access and Modifications—Preliminary plans, working drawings and construction.	91,000	
1700-001-001—For support of Department of Fair Employment and Housing		10,001,000
Schedule:		
(a) 50-Administration of Civil Rights Law	12,080,000	
(b) Reimbursements	−13,000	
(c) Amount payable from the Federal Trust Fund (Item 1700-001-890)	−2,066,000	
Provisions:		
1. None of the funds appropriated in this item shall be encumbered for any legal services operation in any legal office or discrimination clinic.		
1700-001-890—For support of Department of Fair Employment and Housing, for payment to Item 1700-001-001, payable from the Federal Trust Fund		2,066,000
1700-011-001—For support of the Department of Fair Employment and Housing, Los Angeles Legal Office		597,000
Provisions:		
1 The funds appropriated in this item shall be spent only in Los Angeles for legal staff and support of legal staff.		
1700-021-001—For the support of the Department of Fair Employment and Housing, San Francisco Legal Office		438,000
Provisions:		
1. The funds appropriated in this item shall be		

Item		Amount
spent only in San Francisco for legal staff and support of legal staff.		
1700-031-001—For support of the Department of Fair Employment and Housing, Boalt Hall Employment Discrimination Clinic		72,000
Provisions:		
1. The funds appropriated in this item shall be spent only at the University of California at Berkeley for the Employment Discrimination Clinic at the Boalt Hall School of Law.		
1705-001-001—For support of the Fair Employment and Housing Commission, Program 10		884,000
1710-001-001—For support of State Fire Marshal		4,603,000
Schedule:		
(a) 10-State Fire Marshal	11,402,000	
(b) Reimbursements	−3,928,000	
(c) Amount payable from the California Fire and Arson Training Fund (Item 1710-001-198)	−1,385,000	
(d) Amount payable from the California Fireworks Licensing Fund (Item 1710-001-199)	−271,000	
(e) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 1710-001-209)	−1,095,000	
(f) Amount payable from the Federal Trust Fund (Item 1710-001-890)	−120,000	
1710-001-198—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the California Fire and Arson Training Fund		1,385,000
1710-001-199—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the California Fireworks Licensing Fund		271,000
1710-001-209—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the Hazardous Liquid Pipeline Safety Fund		1,095,000
1710-001-890—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the Federal Trust Fund		120,000
1730-001-001—For support of Franchise Tax Board		174,190,000
Schedule:		
(a) 100000-Personal Services	133,874,000	
(b) 300000-Operating Expenses and Equipment	43,778,000	
(c) 800000-Capital Costs (Building Lease/Purchase)	4,482,000	
(d) Reimbursements	−2,490,000	

Item		Amount
(e) Amount payable from the Delinquent Tax Collection Fund (Revenue and Taxation Code Sections 18839 and 26256)	−5,303,000	
(f) Amount payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund (Item 1730-001-200)	−21,000	
(g) Amount payable from the U.S. Olympic Committee Fund (Item 1730-001-800)	−19,000	
(h) Amount payable from the State Children's Trust Fund (Item 1730-001-803)	−20,000	
(i) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-823)	−29,000	
(j) Amount payable from the California Election Campaign Fund (Item 1730-001-905)	−17,000	
(k) Amount payable from the California Seniors Fund (Item 1730-001-983)	−18,000	
(*l*) Amount payable from the Vietnam Veterans Memorial Account (Military and Veterans Code Section 1306)	−27,000	
1730-001-200—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund		21,000
1730-001-800—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the U.S. Olympic Committee Fund		19,000
1730-001-803—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the State Children's Trust Fund		20,000
1730-001-823—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Alzheimer's Disease and Related Disorders Research Fund		29,000
1730-001-905—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Election Campaign Fund		17,000

Item	Amount
1730-001-983—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the California Seniors Fund	18,000
1760-001-001—For support of the Department of General Services, for payment to Item 1760-001-666 ...	10,144,000
Provisions:	
1. In addition to the funds available in this item, any amounts received from the sale of the Governor's Budget and related publications funded from this item are available for expenditure.	
5. Of the funds appropriated in this item, $476,000 shall be used for increased State Police security for legislative offices outside the State Capitol Building.	
1760-001-002—For support of the Department of General Services, for payment to Item 1760-001-666, payable from the Property Acquisition Law Account, General Fund	2,203,000
1760-001-003—For support of Department of General Services, for payment to Item 1760-001-666, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund	4,056,000
1760-001-006—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Access for Handicapped Account, General Fund	908,000
1760-001-022—For support of Department of General Services, for payment to Item 1760-001-666, payable from State Emergency Telephone Number Account, General Fund	917,000
1760-001-026—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State Motor Vehicle Insurance Account, General Fund	1,890,000
Provisions:	
1. Notwithstanding any other provision of law, funds available for the payment of claims are continuously appropriated without regard to fiscal year.	
1760-001-120—For support of Department of General Services, for payment to Item 1760-001-666, payable from School Building Program Account, Architecture Public Building Fund	8,035,000
1760-001-122—For support of Department of General Services, for payment to Item 1760-001-666, payable from Hospital Plan Checking Account, Architecture Public Building Fund	2,284,000

Item	Amount
1760-001-344—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State School Building Lease-Purchase Fund	8,508,000
1760-001-397—For support of Department of General Services, for payment to Item 1760-001-666, payable from the California State Police Fund	42,000
1760-001-450—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Seismic Gas Valve Certification Fund	83,000
1760-001-465—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Energy Resources Programs Account, General Fund	1,293,000
Provisions:	
1. On or before September 30 of each year, the Director of General Services shall report, using generally accepted accounting principles, to the legislative fiscal committees on the income and expenses of all Office of Energy Assessment activities in the previous fiscal year. This report shall identify personal services costs, operating expenses, and revenues.	
1760-001-602—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Architecture Revolving Fund	16,322,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988 and Section 27 of this act, the Director of Finance may augment this item in cases where the Legislature has approved funds for a client department for a particular project, the project involves additional expense by the Department of General Services and the corresponding expenditure authority has not been provided in this item.	
1760-001-666—For support of Department of General Services, payable from the Service Revolving Fund	314,537,000
Schedule:	
(a) 100000—Personal Services	182,494,000
(b) 300000—Operating Expenses and Equipment	249,640,000
(c) Distributed services	−58,545,000
(d) Amount payable from the General Fund (Item 1760-001-001)	−10,144,000

Item		Amount
	(e) Amount payable from the Property Acquisition Law Account, General Fund (Item 1760-001-002)	−2,203,000
	(f) Amount payable from the Motor Vehicle Parking Facilities Moneys Account, General Fund (Item 1760-001-003)	−4,056,000
	(g) Amount payable from the Access for Handicapped Account, General Fund (Item 1760-001-006)	−908,000
	(h) Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022)	−917,000
	(i) Amount payable from the State Motor Vehicle Insurance Account, General Fund (Item 1760-001-026)	−1,890,000
	(k) Amount payable from the School Building Program Account, Architecture Public Building Fund (Item 1760-001-120)	−8,035,000
	(*l*) Amount payable from the Hospital Plan Checking Account, Architecture Public Building Fund (Item 1760-001-122)	−2,284,000
	(m) Amount payable from the State School Lease-Purchase Fund (Item 1760-001-344)	−8,508,000
	(n) Amount payable from the California State Police Fund (Item 1760-001-397)	−42,000
	(o) Amount payable from the Seismic Gas Valve Certification Fund (Item 1760-001-450)	−83,000
	(p) Amount payable from the Energy Resources Programs Account, General Fund (Item 1760-001-465)	−1,293,000
	(q) Amount payable from the Architecture Revolving Fund (Item 1760-001-602)	−16,322,000
	(r) Amount payable from the State School Building Aid Fund (Item 1760-001-739)	−768,000

Item		Amount
(s)	Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961)	−330,000
(t)	Amount payable from the Architecture Revolving Fund (Item 1760-011-602)	−1,269,000

Provisions:

1. From any balance in the Service Revolving Fund, the Director of General Services, with the approval of the Director of Finance, may expend funds in excess of the amount appropriated in this item for the purchase of office copier machines. Any such amounts authorized by the Director of Finance for the purchase of office copier machines are hereby appropriated from the Service Revolving Fund as a loan to be repaid upon such terms and conditions as prescribed by the Director of Finance.
2. Any surplus resulting from legislative printing shall be shown as reimbursements to Item 0130-021-001 of this act.
3. Notwithstanding the provisions of Item 9840-001-988 and Section 27 of this act, the Director of Finance may augment this item in cases where the Legislature has approved funds for a client department for services or the purchase of equipment by the Department of General Services and the corresponding expenditure authority has not been provided in this item.
4. (a) Notwithstanding Section 16422 of the Government Code, the balance of any rental receipts paid into the Building Rental Account of the Service Revolving Fund as of June 30, 1989, after accounting for all receipts and the fiscal year 1988–89 costs of maintaining, operating, and insuring buildings included within the account shall be transferred by the State Controller to the General Fund and reported to the Joint Legislative Budget Committee no later than September 30, 1989.
   (b) On or before September 30, 1989, the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund computed as of June 30, 1989, and any net amount of the Building Rental Account in excess of $81,886,000.

Item Amount

5. On or before January 1, 1990, the State Controller shall transfer $2,212,000 from the Building Rental Account, Service Revolving Fund, to the General Fund.
6. Of the amount appropriated in this item, $75,000 is available to expand a computer data base in the Office of Small and Minority Business. The data base shall provide information to state departments on the certification status of minority and women business enterprises and better enable state departments to meet the participation goals set forth in A.B. 1933.

1760-001-739—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State School Building Aid Fund 768,000

1760-001-961—For support of Department of General Services for payment to Item 1760-001-666, payable from the State School Deferred Maintenance Fund 330,000

1760-011-602—For support of the Department of General Services, for activities other than the Office of State Architect, for payment to Item 1760-001-666, payable from the Architecture Revolving Fund ... 1,269,000

1760-011-666—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment, and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the state at the depreciated value at the time of purchase payable at the option of the Service Revolving Fund over the remaining depreciation period.

1760-011-862—For support of Department of General Services, payable from the Child Care Facilities Fund 316,000

Provisions:

1. Notwithstanding any other provision of law, these funds are available through June 30, 1991,

Item		Amount
for the Office of Local Assistance to complete the distribution of child care facilities funds.		
1760-012-001—For support of the Department of General Services		2,613,000
Schedule:		
(a) Personal Services	377,000	
(b) Operating Expenses and Equipment	2,236,000	
Provisions:		
1. All projects to remedy PCB in state-owned facilities identified by the Department of General Services shall be accomplished under the supervision of the Office of the State Architect.		
2. All projects funded by the appropriation in this item shall comply with the provisions of the State Contract Act. The Department of General Services shall provide to the Legislature, no later than March 1, 1990, a report which details the contracts for projects which are not awarded as a result of competitive bidding procedures, including the specific reasons for not using the competitive bidding process.		
1760-017-001—For support of the Department of General Services		2,915,000
Schedule:		
(a) Personal Services	234,000	
(b) Operating Expenses and Equipment	2,681,000	
Provisions:		
1. The funds appropriated in this item for the underground storage tank program shall be available only for tank testing and installation of tank monitoring systems.		
2. All projects funded by the appropriation in this item shall comply with the provisions of the State Contract Act. The Department of General Services shall provide to the Legislature, no later than March 1, 1990, a report which details the contracts for projects which are not awarded as a result of competitive bidding procedures, including the specific reasons for not using the competitive bidding process.		
1760-022-001—For support of the Department of General Services		4,827,000
Schedule:		
(a) Personal Services	157,000	

Item	Amount
(b) Operating Expenses and Equipment	4,670,000

Provisions:

1. The Department of General Services shall obtain air samples of all spaces scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.
2. All projects to remediate asbestos in state-owned facilities identified by the Department of General Services shall be accomplished under the supervision of the Office of the State Architect.
3. All projects funded by the appropriation in this item shall comply with the provisions of the State Contract Act. The Department of General Services shall provide to the Legislature, no later than March 1, 1990, a report which details the contracts for projects which are not awarded as a result of competitive bidding procedures, including the specific reasons for not using the competitive bidding process.

1760-101-001—For transfer to the State Emergency Telephone Number Account upon written approval of the Department of Finance to provide operating funds for support of the Emergency Telephone Number Program on a monthly basis, as needed, for cash-flow purposes, with all money transferred during 1989–90 to be reverted to the General Fund prior to June 30, 1990 ..... (30,606,000)

1760-101-022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account, General Fund 57,085,000

1760-301-036—For capital outlay, Department of General Services, payable from the Special Account for Capital Outlay 3,954,000

Item		Amount
Schedule:		
(a) 50.10.060—State Capitol Projects..	624,000	
(b) 50.25.004-Van Nuys—Child Day Care Center—Preliminary plans, working drawings, construction, and equipment.....	800,000	
(c) 50.40.016-San Francisco State Office Building (525 Golden Gate) —Ceiling and light fixture repair—working drawings.....	30,000	
(d) 50.40.025-San Francisco State Office Building Retrofit (350 McAllister Streets)—Preliminary plans and working drawings.....	2,500,000	
Provisions:		
1. The funds appropriated in category (a) are for the following purposes: preliminary plans and working drawings to provide handicapped access to all restrooms in the State Capitol Annex; a fire-life safety assessment for the State Capitol Annex; and preliminary plans, working drawings, and construction of sound system improvements for hearing rooms in the State Capitol Annex.		
2. With respect to the project in category (b), no allocation of funds for working drawings or construction shall be made unless, not less than 30 days prior to allocation, the Department of General Services submits completed preliminary plans, outline specifications, and a related cost estimate to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the legislative fiscal committees.		
1760-301-666—For capital outlay, Department of General Services, payable from the Service Revolving Fund.....		362,000
Schedule:		
(1) 50.95.000-Minor Project.....	92,000	
(2) 50.10.022-Sacramento (EDD Building)—Site 3—Upgrade HVAC System—Field analysis, conceptual design, system modeling, preliminary plans and working drawings.....	270,000	

Item			Amount
1760-490—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purposes provided in that appropriation, and shall be available for expenditure until June 30, 1990.			
036-Special Account for Capital Outlay:			
(1) Item 1760-017-036, Budget Act of 1987, Underground Storage Tank Program			
1880-001-001—For support of State Personnel Board ...			13,278,000
Schedule:			
(a) 10-Merit System Administration...		17,006,000	
(b) 40-Local Government Services.. .		899,000	
(c) 50.01-Administrative Services..... .		4,978,000	
(d) 50.02-Distributed Administrative Services.....		−4,761,000	
(e) Reimbursements.....		−4,844,000	
Provisions:			
1. The State Personnel Board may receive unbudgeted reimbursements from state agencies pursuant to interagency agreements for the provision of additional personnel services only upon approval of the Director of Finance and notification to the Legislature pursuant to the provisions of Section 28.00, except for reimbursements for which funding originates from nonstate sources.			
1900-001-001—For support of Board of Administration of the Public Employees' Retirement System, for payment to Item 1900-001-830..			55,000
1900-001-815—For support of Board of Administration of the Public Employees' Retirement System, for payment to Item 1900-001-830, payable from the Judges' Retirement Fund.....			259,000
Provisions:			
1. The appropriation made by this item is for support of the Board of Administration in accordance with Section 75108 of the Government Code.			
1900-001-820—For support of Board of Administration of the Public Employees' Retirement System, for payment to Item 1900-001-830, payable from the Legislators' Retirement Fund			154,000
Provisions:			
1. The appropriation made by this item is for support of the Board of Administration in accordance with Section 9354 of the Government Code.			

Item		Amount
1900-001-830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund. Schedule:		39,995,000
(a) 10-Retirement	40,052,000	
(b) 20-Social Security	419,000	
(c) 30-Health Benefits	3,830,000	
(d) 40-PERS Redesign Project	1,138,000	
(e) 50.01-Administration	22,193,000	
(f) 50.02-Distributed Administration	−22,193,000	
(g) Reimbursements	−1,150,000	
(h) Amount payable from the General Fund (Item 1900-001-001)	−55,000	
(i) Amount payable from the Judges' Retirement Fund (Item 1900-001-815)	−259,000	
(j) Amount payable from the Legislators' Retirement Fund (Item 1900-001-820)	−154,000	
(k) Amount payable from the Public Employees' Contingency Reserve Fund (Item 1900-001-950)	−3,756,000	
(*l*) Amount payable from the Volunteer Firefighters Length of Service Award System Fund (Item 1900-001-962)	−70,000	
1900-001-950—For support of Board of Administration of the Public Employees' Retirement System, for payment to Item 1900-001-830, payable from the Public Employees' Contingency Reserve Fund. Provisions: 1. The appropriation made by this item is for support of the Board of Administration pursuant to Section 22840 of the Government Code.		3,756,000
1900-001-962—For support of Board of Administration of the Public Employees' Retirement System, for payment to Item 1900-001-830, payable from the Volunteer Firefighters Length of Service Award System Fund		70,000
1920-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund. Schedule:		25,945,000
(a) 100000-Personal Services	13,196,900	
(b) 300000-Operating Expenses and Equipment	13,150,100	

Item		Amount
(c) Reimbursements	−239,000	
(d) Amount payable from the Teacher Tax Sheltered Annuity Fund (Item 1920-001-963)	−66,000	
(e) Amount payable from the Retirees' Purchasing Power Protection Account in the State Teachers' Retirement Fund pursuant to Section 24701 of the Education Code	−97,000	
1920-001-963—For support of State Teachers' Retirement System, for payment to Item 1920-001-835, payable from the Teacher Tax Sheltered Annuity Fund		66,000
Provisions:		
1. This appropriation is for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22231 of the Education Code.		
1920-111-835—For local assistance, Purchasing Power Protection, payable from the State Teachers' Retirement Fund		167,318,000
Provisions:		
1. Notwithstanding Section 24701 of the Education Code, $163,515,000 shall be available for the payment of increased annual cost-of-living adjustments for retirants, disabilitants, and beneficiaries in excess of the 2-percent adjustment authorized by Section 22131 of the Education Code.		
2. Of the amount appropriated above, the State Teachers' Retirement System shall provide an average purchasing power level of 68.2 percent when combined with all other funding sources appropriated for this purpose. After June 30, 1990, the unencumbered balance of this appropriation shall not be available for encumbrance.		
1960-001-001—For support of Department of Veterans Affairs		2,563,000
Schedule:		
(a) 100000-Personal Services	3,016,000	
(b) 300000-Operating Expenses and Equipment	489,000	
(c) Educational Assistance to Veterans' Dependents	350,000	
(d) Reimbursements	−216,000	

Item		Amount
(e)	Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592)..	−1,039,000
(f)	Amount payable from the California National Guard Farm and Home Building Fund of 1978 (Military and Veterans Code Section 485)	−37,000

Provisions:

1. No funds shall be expended for educational assistance program grants to persons whose family incomes exceed the following limits:
   (a) $31,500 for three or fewer family members.
   (b) $33,600 for four family members.
   (c) $35,700 for five family members.
   (d) $37,800 for six or more family members.
   (e) $39,900 for three or more family members, if at least two members are attending college.

   As used in this provision, the term "family member" shall include only the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; the dependent brothers and sisters, either natural or adoptive, of the dependent applicant; the spouse of the dependent applicant, if married; and any other persons who are dependent upon the family income for more than 50 percent of their support. The term "family income" shall include only the income of the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; and, if married, the spouse of the dependent applicant; and shall mean "adjusted gross income" as that term is defined in Section 17072 of the Revenue and Taxation Code.
2. Expenditures pursuant to category (c) are for educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Sections 890 through 899 of the Military and Veterans Code. However, no funds appropriated in this item, except as specified, may be expended to provide financial assistance for the education of dependents of non-California veterans killed or totally disabled as a result of active military service and of non-California servicemen currently missing in action. This restriction shall not apply to depen-

Item	Amount
dents receiving such financial assistance in, or prior to, fiscal year 1978–79. "Non-California veteran" means a person not meeting the requirements of Section 980 of the Military and Veterans Code.	
1960-001-592—For support of Department of Veterans Affairs, for payment to Item 1960-001-001, payable from the Veterans' Farm and Home Building Fund of 1943	1,039,000
1960-101-001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county veteran services offices, to be expended in accordance with Section 972 of the Military and Veterans Code.....	1,250,000
Schedule:	
(a) 20-Veterans Claims and Rights ... 1,615,000	
(b) Reimbursements ..... −365,000	
1970-011-001—For support of Veterans' Home of California	25,291,000
Schedule:	
(a) 30-Care of Sick and Disabled Veterans 44,399,000	
(b) Reimbursements ..... −7,312,000	
(c) Amount payable from the Federal Trust Fund (Item 1970-011-890) .. −11,796,000	
Provisions:	
1. The General Fund shall make a loan available to the Veterans' Home of California to meet cash needs resulting from the delay in receipt of federal reimbursement for medical services provided. The loan is short term, and shall be repaid within six months. Interest charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.	
2. Any loan authorized pursuant to this item shall require approval by the Department of Finance. Provisions 2, 3, and 4 of Item 9840-011-001 shall also apply to any loan authorized pursuant to this item.	
1970-011-890—For support of Veterans' Home of California, for payment to Item 1970-011-001, payable from the Federal Trust Fund	11,796,000
1970-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Special Account for Capital Outlay.....	480,000

Item		Amount
Schedule:		
(1) 80.20.050—Renovate Hospital Support Services—Design Review, Asbestos Abatement Plans, and Monitoring		114,000
(2) 80.20.070—Remodel Hospital Wards 1, 2, and 3B—Plan Review, Asbestos Abatement Plans		96,000
(3) 80.20.075—Remodel Hospital Wards 2, 3E and Administration Plan Review, Asbestos Abatement Plans, and Monitoring		214,000
(4) 80.20.100—Correct Code Deficiencies in Section H—Plan Review, Asbestos Abatement Plans		28,000
(5) 80.20.110—Correct Code Deficiencies in Section K—Plan Review, Asbestos Abatement Plans		28,000

Provisions:

1. Plan review/revision and development of asbestos abatement plans funded in this item shall occur under direction of the Office of Project Development and Management.

1970-490—Reappropriation, Department of Veterans Affairs. The balance of the appropriations provided in the following citations are reappropriated for the purposes, and subject to the limitations, unless otherwise specified, provided for in the appropriation:

036—Special Account for Capital Outlay

(1) Item 1970-301-036(2), Budget Act of 1987, as appropriated by Item 1970-490, Budget Act of 1988, 80.20.050—Renovate Hospital Support Services—Construction

(2) Item 1970-301-036(6), Budget Act of 1987, as reappropriated by Item 1970-490, Budget Act of 1988, 80.20.075-Remodel Hospital Wards 2, 3E, and Administration-Construction.

890-Federal Trust Fund

(1) Item 1970-301-890(2), Budget Act of 1987, as reappropriated by Item 1970-490, Budget Act of 1988, 80.20.050-Renovate Hospital Support Services-Construction.

(2) Item 1970-301-890(4), Budget Act of 1987, as reappropriated by Item 1970-490, Budget Act of 1988, 80.20.075-Remodel Hospital Wards 2, 3E, and Administration-Construction.

Item		Amount
BUSINESS, TRANSPORTATION AND HOUSING		
2100-001-001—For support of Department of Alcoholic Beverage Control		21,970,000
Schedule:		
(a) 10.10-Licensing	12,393,000	
(b) 10.20-Compliance	10,440,000	
(c) 10.30.010-Administration	2,539,000	
(d) 10.30.020-Distributed Administration	−2,539,000	
(e) Reimbursements	−863,000	
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund		493,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund		12,237,000
Schedule:		
(a) 10-Licensing and Supervision of Banks and Trust Companies	11,932,000	
(b) 20-Payment Instruments	392,000	
(c) 30-Certification of Securities	20,000	
(d) 40-Administration of Local Agency Security	249,000	
(e) 50-Supervision of California Business and Industrial Development Corporations	52,000	
(f) 60.01-Administrative Support Services	3,797,000	
(g) 60.02-Distributed Administrative Support Services	−3,797,000	
(h) Reimbursements	−159,000	
(i) Amount Payable from the Local Agency Deposit Security Fund (Item 2140-001-240)	−249,000	
2140-001-240—For support of State Banking Department, for payment to Item 2140-001-136, payable from the Local Agency Deposit Security Fund		249,000
2180-001-001—For support of Department of Corporations		9,685,000
Schedule:		
(a) 10-Investment Program	9,918,000	
(b) 20-Lender-Fiduciary Program	8,700,000	
(c) 30-Health Care Service Plan Program	3,981,000	
(d) 50.01-Administration	1,002,000	
(e) 50.02-Distributed Administration	−1,002,000	
(f) Reimbursements	−12,914,000	

Item		Amount
2200-001-001—For support of Department of Commerce		14,943,000
Schedule:		
(a) 10-Business Development	3,434,000	
(b) 15-California Film Commission	765,000	
(c) 20-Competitive Technology	499,000	
(d) 25-Marketing and Communications	492,000	
(e) 30-Tourism	6,401,000	
(f) 40-Local Development	1,436,000	
(g) 50-Small Business	1,372,000	
(h) 60-Economic Research	817,000	
(i) 70.01-Administration	2,165,000	
(j) 70.02-Distributed Administration	−2,165,000	
(k) Reimbursements	−273,000	
2200-101-001—For local assistance, Department of Commerce		7,310,000
Schedule:		
(a) For transfer to the California Competitive Technology Fund	6,580,000	
(b) For transfer to the Rural Economic Development Fund	730,000	
2200-101-164—For local assistance, Department of Commerce, for transfer to the Rural Economic Development Fund		(5,270,000)
2200-101-922—For local assistance, Department of Commerce, payable from the California Economic Development Grant and Loan Fund		3,200,000
Schedule:		
(a) 40-Local Development	3,200,000	
(b) 50-Small Business	1,000,000	
(c) Reimbursements	−1,000,000	
2200-490—Reappropriation, Department of Commerce. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 1990:		
036—Special Account for Capital Outlay		
(1) Item 2200-101-036, Budget Act of 1988, as added by Chapter 974, Statutes of 1988, Section 3, Competitive Technology, Local Assistance.		
535—California Main Street Program Fund		
(1) Chapter 1577, Statutes of 1985, Section 2(b), Main Street Program.		
2240-001-001—For support of Department of Housing and Community Development		6,522,000

Item		Amount
	Schedule:	
	(a) 10-Codes and Standards Program	18,587,000
	(b) 20-Community Affairs Program	14,681,000
	(c) 30-Housing Policy Development Program	1,343,000
	(d) 50.01-Administration	7,974,000
	(e) 50.02-Distributed Administration	−7,974,000
	(f) Reimbursements	−6,761,000
	(g) Amount payable from the Mobilehome Park Revolving Fund (Item 2240-001-245)	−2,722,000
	(h) Amount payable from the Manufactured Home License Fee Account, General Fund (Item 2240-001-451)	−1,909,000
	(i) Amount payable from the Mobilehome Park Purchase Fund (Item 2240-001-530)	−323,000
	(j) Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-635)	−189,000
	(k) Amount payable from the Mobilehome-Manufactured Home Revolving Fund (Item 2240-001-648)	−12,301,000
	(*l*) Amount payable from the Self-Help Housing Fund (Item 2240-001-813)	−169,000
	(m) Amount payable from the Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−329,000
	(n) Amount payable from the Federal Trust Fund (Item 2240-001-890)	−1,564,000
	(o) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-929)	−562,000
	(p) Amount payable from the Homeownership Assistance Fund (Item 2240-001-936)	−224,000
	(q) Amount payable from the Rental Housing Construction Fund (Item 2240-001-938)	−650,000
	(r) Amount payable from the Urban Predevelopment Loan Fund (Item 2240-001-980)	−234,000

Item	Amount
(s) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-985)	−152,000

Provisions:

1. One-half of the $65,000 appropriated to fund the Department of Housing and Community Development's Public Affairs Officer position shall be available for the period July 1, 1989, through December 31, 1989. The remainder of the funds appropriated for this purpose shall only be available for expenditure during the period January 1, 1990, through June 30, 1990, if the department submits a plan to the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees to improve the sensitivity of the director and key department staff, including all exempt personnel, to the issue of homelessness. This plan shall be submitted to the chairpersons not later than December 1, 1989.
2. Nine and one-half of the 17.5 positions established for implementation of the Earthquake Safety and Housing Rehabilitation Bond Act shall be established on a two-year limited-term basis.

2240-001-245—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome Park Revolving Fund.....	2,722,000
2240-001-451—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Manufactured Home License Fee Account, General Fund	1,909,000
2240-001-530—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome Park Purchase Fund	323,000
2240-001-635—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Rural Predevelopment Loan Fund.....	189,000
2240-001-648—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome-Manufactured Home Revolving Fund	12,301,000

Item	Amount
2240-001-813—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Self-Help Housing Fund	169,000
2240-001-890—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Federal Trust Fund	1,564,000
2240-001-929—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Housing Rehabilitation Loan Fund	562,000
2240-001-936—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Homeownership Assistance Fund	224,000
2240-001-938—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Rental Housing Construction Fund	650,000
2240-001-980—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Urban Predevelopment Loan Fund	234,000
2240-001-985—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Emergency Housing and Assistance Fund	152,000
2240-101-001—For local assistance, Department of Housing and Community Development	15,247,000
Schedule:	
(a) 20-Community Affairs	92,599,000
(b) Amount payable from the Federal Trust Fund (Item 2240-101-890)	−66,954,000
(bx) Amount payable from the Outer Continental Shelf Land Act Section 8g Revenue Fund (Item 2240-101-164)	−4,898,000
(c) Reimbursements	−5,000,000
(d) Amount payable from the Farmworker Housing Grant Fund (Item 2240-111-927)	−500,000
Provisions:	
1. (a) Of the funds appropriated in category (a), $3,000,000 shall be available only for the purposes of the Emergency Shelter Program.	

Item		Amount
	(b) It is the intent of the Legislature that a California National Guard armory shall be opened as a temporary emergency shelter when: (1) the local jurisdiction controlled homeless shelters have reached capacity; and (2) the air temperature in an area is 50 degrees or below, or is forecast by the National Weather Service to be 50 degrees or below. Of the funds appropriated in this item, up to $1,000,000 shall be available until May 30, 1990, for transfer to, and in augmentation of, Item 8940-001-001 for the purposes of operating National Guard armories as temporary emergency shelters. The Department of Housing and Community Development, in cooperation with the Military Department, shall report to the Legislature on or before May 30, 1990, regarding the amounts expended pursuant to this provision and the number of shelter nights provided, classified by county and armory.	
	2 Of the funds appropriated in category (a), $3,000,000 shall be available only for the purposes of the Farmworker Housing Grant Program.	
	3. Of the funds appropriated in category (a), $2,000,000 shall be available only for the purposes of the California Self-Help Housing Program.	
	4. Of the funds appropriated in category (a), $250,000 shall be available only for the purposes of the Senior Citizens' Shared Housing Program.	
	5 Of the funds appropriated in category (a), $250,000 shall be available only for Rural Communities Facilities Technical Assistance.	
	6. Of the funds appropriated in category (a), $230,000 shall be available only for the purposes of the Rural Development Assistance Program.	
	7. Of the funds appropriated in category (a), $107,000 shall be available only for the purposes of the Homeless Coordinated Intake Project, as established by Chapter 1520, Statutes of 1988.	
	8. Of the funds appropriated in category (a), $240,000 shall be available only for the purposes of the Public Guardian Pilot Program Financial	

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Services for Seniors, as established by Chapter 1241, Statutes of 1987. Upon authorization of the Director of Finance, the $240,000 appropriated for support of the Public Guardian Pilot Program shall be transferred to Item 4170-101-001.

9. Of the funds appropriated in category (a), $1,418,000 shall be available only for the purposes of Chapter 8.5 (commencing with Section 50710) of Part 2 of Division 31 of the Health and Safety Code, Special Housing Program for Migratory Workers.
10. Notwithstanding Section 50805 of the Health and Safety Code, the Department of Housing and Community Development shall award all of the funds available for local assistance in the Emergency Housing and Assistance Fund and all funds available through the department's interagency agreement with the State Department of Mental Health entered into pursuant to Chapter 36, Statutes of 1987, for emergency shelter operations.
11. The department may use all funds appropriated by this item for the California Self-Help Program, and all money available in the Self-Help Housing Fund for local assistance, for the purpose of (a) making technical assistance grants to public entities and nonprofit corporations which help low- and moderate-income families construct or rehabilitate their homes, and (b) providing mortgage assistance to eligible families engaged in self-help construction or rehabilitation of their homes who are not eligible for mortgage assistance under the Home Purchase Assistance Program.

    It is the intent of the Legislature that these funds shall be used, to the maximum extent possible, for program activities that are ineligible for bond financing under Proposition 77 or Proposition 84.
12. Of the funds appropriated in category (a), $5,000,000 shall be available only for transfer to the Homeless Assistance Loan Revolving Fund and only upon enactment of AB 1391 of the 1989–90 Regular Session.
13. Of the funds appropriated in category (a) $500,000 shall be available only for development of family housing for migrant farmwork-

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ers in San Diego County.		
2240-101-164—For local assistance, Department of Housing and Community Development, for payment to Item 2240-101-001, payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund		4,898,000
2240-101-890—For local assistance, Department of Housing and Community Development, for payment to Item 2240-101-001, payable from the Federal Trust Fund		66,954,000
2240-111-927—For local assitance, Department of Housing and Community Development, for payment to Item 2240-101-001, payable from the Farmworker Housing Grant Fund		500,000
2240-490—Reappropriation, Department of Housing and Community Development. Notwithstanding any other provision of law, the balance of the appropriation made by Chapter 112, Statutes of 1988, is reappropriated for operating costs of the Office of Migrant Services.		
2290-001-217—For support of Department of Insurance, payable from the Insurance Fund		55,667,000
Schedule:		
(a) 10-Regulation of Insurance Companies and Insurance Producers	52,287,508	
(b) 20-Fraud Control	3,117,492	
(c) 30-Tax Collection and Audit	337,000	
(d) 40.01-Administration	12,729,054	
(e) 40.02-Distributed Administration	—12,729,054	
(f) Amount payable from Insurance Fund (Item 2290-002-217)	—75,000	
Provisions:		
1. Of the funds appropriated in this item, $2,644,000 shall be transferred to the Department of Aging for support of the Health Insurance Counseling and Advocacy Program.		
2. Of the amount appropriated in this item, $3,000,000 shall be available for encumbrance by the Department of Insurance to accommodate any unanticipated workload related to the implementation of Proposition 103 for which funds have not already been budgeted in this act. This amount shall be available no sooner than 30 days after the Insurance Commissioner notifies in writing the Chairperson of the Joint Legislative Budget Committee of the proposed encumbrance, or not sooner than whatever lesser time		

Item		Amount
the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may, in each instance, determine.		
The notification shall detail the planned use of the funds and identify the type and amount of workload for which the money is to be expended.		
3. A portion of the $3,000,000 provided in Provision 2 of this item shall be used for: (a) providing consumers, upon request and for a reasonable fee, comparative rates for each personal (noncommercial) line of property/casualty insurance offered in California, as required by Proposition 103, and (b) contracting for independent financial and actuarial expertise in order to implement Proposition 103 as subsequently reviewed by the California Supreme Court on May 4, 1989. The contracted services may be for the development and review of standards and guidelines for determining and analyzing what is a "fair and reasonable rate of return" and other related financial information included in the applications for rate changes to be filed by insurance companies.		
2290-002-217—For support of the Consumer Advisory Panel in the Department of Insurance, for payment to Item 2290-001-217, payable from the Insurance Fund		75,000
2290-101-217—For local assistance, Department of Insurance, Program 20-Fraud Control, payable from the Insurance Fund		3,500,000
2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund		24,573,000
Schedule:		
(a) 10-Licensing and Education	6,155,000	
(b) 20-Regulatory and Recovery	14,501,000	
(c) 30-Subdivisions	4,465,000	
(d) 40.10-Administration	4,102,000	
(e) 40.20-Distributed Administration	−4,102,000	
(f) Reimbursements	−548,000	
2340-001-337—For support of Department of Savings and Loan, payable from the Savings Association Special Regulatory Fund		9,488,000
Schedule:		
(a) 100000-Personal Services	7,276,000	
(b) 300000-Operating Expenses and Equipment	2,259,000	

Item		Amount
(c) Reimbursements.....	−47,000	
Provisions:		
1. Notwithstanding Section 12439 of the Government Code, positions which have been held vacant by the Department of Savings and Loan during the period from October 1, 1988, to June 30, 1989, shall not be abolished, but shall be continued during the 1989–90 fiscal year, and shall be filled by the department as soon as adequate funding is available.		
2600-001-042—For support of California Transportation Commission, for payment to Item 2600-001-046, payable from the State Highway Account, State Transportation Fund...		155,000
2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund		1,365,000
Schedule:		
(a) 10-Administration of California Transportation Commission	1,520,000	
(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-042).....	−155,000	
2640-101-046—For local assistance, Special Transportation Programs, notwithstanding Section 99312 of the Public Utilities Code, for allocation by the Controller, payable from the Transportation Planning and Development Account, State Transportation Fund.....		73,000
Provisions:		
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than $20,500 of the amount appropriated by this item shall fund the federal match requirement of the Transit Management Assistance program, and not more than $52,000 of the amount appropriated by this item shall reimburse the Controller for expenditures for administration of State Transportation Assistance funds.		
2660-001-041—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Aeronautics Account, State Transportation Fund.....		2,536,000

Item		Amount
2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund		1,119,023,000
Schedule:		
(a) 10-Aeronautics	3,074,000	
(b) 20-Highway Transportation	1,352,868,000	
(1) 20.10.010-Rehabilitation	(90,212,000)	
(2) 20.10.020-Operational improvements	(109,450,000)	
(3) 20.10.030-New facilities	(182,009,000)	
(4) 20.30-Local assistance	(10,555,000)	
(5) 20.40-Program development	(7,450,000)	
(6) 20.60-Administration	(209,004,000)	
(7) 20.70-Operations	(78,921,000)	
(8) 20.80-Maintenance	(430,983,000)	
(9) Bicycle Lane Account	(10,000)	
(10) Federal Trust Fund	(209,461,000)	
(11) Reimbursements	(24,813,000)	
(c) 30-Mass Transportation		37,788,000
(d) 40-Transportation Planning		12,172,000
(e) 50.01-Administration		183,979,000
(f) 50.02-Distributed Administration		−183,979,000
(g) Reimbursements		−36,662,000
(h) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-041)		−2,536,000
(i) Amount payable from the Bicycle Lane Account, State Transportation Fund (Item 2660-001-045)		−10,000
(j) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-001-046)		−32,656,000

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(*l*) Amount payable from the Federal Trust Fund (Item 2660-001-890) ..... —215,015,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any of the amounts scheduled within Item 2660-001-042 may be transferred to Item 2660-101-042 or Item 2660-301-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for support of those projects which have been included in a State Transportation Improvement Program adopted by the California Transportation Commission.
3 For Program 20—Highway Transportation. Upon approval of the California Transportation Commission and the Department of Finance, the department shall notify the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee at least 20 days prior to spending funds to expand activities above budgeted levels or to implement a new activity not identified in the Budget, including any such expenditures to be funded through a transfer of money from other expenditure categories or programs, except in the case of emergency snow or storm damage work increases.
4. Notwithstanding the provisions of Government Code Section 14015, the Director of General Services, as an agent for the Department of Transportation, may enter into an agreement to purchase, lease-purchase, or lease with an option to purchase real property in the San Francisco Bay area for the purpose of financing, refinancing, and acquiring office and parking facilities, and any other improvements, betterments, and facilities related thereto in order to allow full occupancy by August 30, 1993.
5. Notwithstanding Vehicle Code Section 42273, upon notification by the Department of Fi-

Item Amount

nance, the State Controller shall transfer funds from the Motor Vehicle Account, State Transportation Fund to the State Highway Account, State Transportation Fund.

6. For Program 30-Mass Transportation. Of the funds appropriated to the department, $150,000 shall be expended to assist the California Transportation Commission, as requested by the commission, in fulfilling the commission's responsibilities and the department's responsibilities described in Senate Bill 1562 of the 1989–90 Regular Session, relating to the development of a railroad rights-of-way acquisition and development plan.
7. For Program 20-Highway Transportation. Pursuant to Chapters 1363 and 1364 of the Statutes of 1988, no state or federal funds shall be expended for any purpose related to State Highway Routes 231 and 241, until the conditions set forth in those chapters or any subsequent modifying legislation are met.
8. For Program 20-Highway Transportation. Reimbursemenmt of $170,000 in this item is for the department's participation in the formulation of the specific plan for the western central city project in Los Angeles.
9. For Program 20-Highway Transportation. The Department of Transportation shall sell two parcels of property adjacent to the I-450 Freeway in Hawthorne to the City of Hawthorne for $100,000 each.
10. It is the intent of the Legislature that the Department of Transportation shall utilize funds appropriated by this item to maintain, at a minimum, its current level of staff employed in accordance with Sections 12000 to 12005, inclusive, of the Unemployment Insurance Code.

2660-001-045—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Bicycle Lane Account, State Transportation Fund 10,000

2660-001-046—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Transportation Planning and Development Account, State Transportation Fund 32,656,000

Provisions:

1. For Program 30—Mass Transportation.

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$12,846,000 of the funds appropriated in this item shall be allocated by the California Transportation Commission pursuant to Section 99316 of the Public Utilities Code.

2660-001-890—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Federal Trust Fund 215,015,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any of the amounts scheduled within Item 2660-001-890 may be transferred to Item 2660-101-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated in this item shall be available for support of those projects which have been included in a State Transportation Improvement Program adopted by the California Transportation Commission.
3. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
4. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.
5. For Program 20—Highway Transportation. Pursuant to Chapters 1363 and 1364 of the Statutes of 1988, no state or federal funds shall be expended for any purpose related to State Highway Routes 231 and 241, until there is compliance with the conditions set forth in those chapters or any subsequent modifying legislation.

Item	Amount
2660-011-041—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund, as prescribed by Section 21682.5 of the Public Utilities Code	(30,000)
2660-021-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund, as prescribed by Section 194 of the Streets and Highways Code	(12,500,000)
2660-031-047—For transfer by the State Controller from the Abandoned Railroad Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund	(441,000)
2660-101-042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund	97,060,000
Schedule:	
(a) 20-Highway Transportation 33,060,000	
(b) 30-Mass Transportation 64,000,000	
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any amounts scheduled within Item 2660-101-042 may be transferred to Item 2660-001-042 or Item 2660-301-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
2. For Program 30—Mass Transportation. The amount allocated in the 1989–90 fiscal year by the California Transportation Commission for Article XIX, Transit Guideways shall be available for expenditure or reallocation by the California Transportation Commission during the 1989–90, 1990–91 and 1991–92 fiscal years.	
2660-101-045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Lane Account, State Transportation Fund	635,000

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2660-101-046—For local assistance, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund 49,652,000
Schedule:
(a) 30-Mass Transportation 45,620,000
(b) 40-Transportation Planning 4,032,000
Provisions:
1. For Program 30—Mass Transportation. The amount allocated in the 1989–90 fiscal year by the California Transportation Commission for Transit Capital Improvements shall be available for expenditure or reallocation by the California Transportation Commission during the 1989–90, 1990–91, and 1991–92 fiscal years.
2. For Program 30—Mass Transportation. Of the amount appropriated in this item, $975,000 shall be expended for local assistance for the Tasman Corridor of the Santa Clara County light rail system.

2660-101-164—For local assistance, Department of Transportation, payable from the Outer Continental Shelf Land Act Section 8g Revenue Fund..... 1,000,000
Provisions:
1. Of the amount appropriated in this item, $500,000 shall be allocated to the Southern California Association of Governments as follows: (a) $250,000 for the establishment of a joint powers agency to assume responsibility for the operation of a commuter rail project, and (b) $250,000 to complete right-of-way acquisition negotiations for the project.
2. Of the amount appropriated by this item, $500,000 shall be available for support of the Watts Urban Innovative Transportation Project.

2660-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund..... 285,784,000
Schedule:
(b) 20-Highway Transportation 262,300,000
(c) 30-Mass Transportation 14,584,000
(d) 40-Transportation Planning 8,900,000
Provisions:
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts scheduled within Item 2660-101-890, may be transferred to Item 2660-

Item		Amount
	001-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
	2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
	3. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
2660-111-053—For transfer by the State Controller from the State Highway Construction Revolving Account, State Transportation Fund, to the State Highway Account, State Transportation Fund.....		(40,000,000)
	Provisions:	
	1. Upon request of the Department of Transportation, the State Controller shall transfer forty million dollars ($40,000,000) from the State Highway Construction Revolving Account, State Transportation Fund, to the State Highway Account, State Transportation Fund.	
2660-301-036—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the Special Account for Capital Outlay.....		1,988,000
	Provisions:	
	1. The amount of $1,988,000 is appropriated to the Department of Transportation for the purpose of planning, designing, and constructing soundwalls on both sides of Interstate 405 between Victory Boulevard and Sherman Way in Los Angeles County.	
2660-301-042—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund.....		263,507,000
	Schedule:	
	(a) 20-Highway Transportation..... 730,488,000	
	(1) 20.20.010-Rehabilitation .... (112,531,000)	

Item		Amount
(2)	20.20.020 Operational Improvements	(40,501,000)
(3)	20.20.030-New Facilities	(110,475,000)
(4)	Reimbursements	(466,981,000)
(b)	Reimbursements	−466,981,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts scheduled within Item 2660-301-042 may be transferred to Item 2660-001-042 or Item 2660-101-042 of this act only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Program adopted by the commission.
3. For Program 20—Highway Transportation. For each capital outlay appropriation, the department shall determine for reversion the difference between the appropriation and the total amount needed for encumbered projects, encumbered right-of-way, and projects still to be scheduled for encumbrance against the appropriations. On or before October 1, 1989, the department shall submit to the Controller the estimated amounts to be reverted as of June 30, 1989, from the 1987–88 and 1988–89 fiscal year appropriations.
4. For Program 20—Highway Transportation. The department shall, no later than January 1, 1990, determine the amount necessary to fund the highway projects to be delivered in 1989–90 as approved by the California Transportation Commission, and report to the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The department shall, by June 30, 1990, revert any amount identified as not needed for these projects.

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5. For Program 20—Highway Transportation. The department shall maintain an unencumbered balance in this appropriation sufficient to provide state matching funds for any federal funds which are not encumbered under Item 2660-301-890.
6. For Program 20—Highway Transportation. Pursuant to Chapters 1363 and 1364 of the Statutes of 1988, no state or federal funds shall be expended for any purpose related to State Highway Routes 231 and 241, until the conditions set forth in those chapters or in any subsequent modifying legislation are met.

2660-301-890—For capital outlay, Department of Transportation, payable from the Federal Trust Fund .. 1,240,072,000

Schedule:

(a) 20-Highway Transportation..... 1,234,316,000
(b) 30-Mass Transportation..... 5,756,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts scheduled within Item 2660-301-890, may be transferred to Item 2660-001-890 or Item 2660-101-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Program adopted by the commission.
3. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
4. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.

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5. For Program 20—Highway Transportation. For each capital outlay appropriation, the department shall determine for reversion the difference between the appropriation and the total amount needed for encumbered projects, encumbered right-of-way and projects still to be scheduled for encumbrance against the appropriations. On or before October 1, 1989, the department shall submit to the State Controller the estimated amounts to be reverted as of June 30, 1989, from the 1987–88 and 1988–89 fiscal year appropriations.
6. For Program 20—Highway Transportation. The department shall, no later than January 1, 1990, determine the amount necessary to fund the highway projects to be delivered in 1989–90 as approved by the California Transportation Commission, and report to the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The department shall revert by June 30, 1990, any amount identified to be not needed for these projects.
7. For Program 20—Highway Transportation. The amount of funds appropriated by this item which is in excess of the amount which can be encumbered based on federal obligation authority made available prior to October 1, 1990, shall not be encumbered prior to that date unless a state measure is enacted which increases the amount of state revenue available for state highway transportation purposes. The Department of Finance shall notify the chairpersons of the Joint Legislative Budget Committee and the fiscal committees of the Legislature that the Department of Transportation intends to encumber the additional amounts at least 30 days prior to that action. This shall not preclude the California Transportation Commission from allocating those funds to the Department of Transportation, subject to a condition placed on the encumbrance of the funds, in order to allow the department to proceed with project advertising if, in the judgment of the commission, that allocation is prudent. A state measure which increases the amount of state revenue available for state highway transportation purposes shall

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not include a measure, which would take effect only upon approval by the voters of an amendment of Article XIII B of the California Constitution, until voter approval of that measure is obtained.

8. For Program 20—Highway Transportation. Pursuant to provisions of Chapters 1363 and 1364 of the Statutes of 1988, no state or federal funds shall be expended for any purpose related to State Highway Routes 231 and 241, until there is compliance with the conditions set forth in those chapters or in any subsequent modifying legislation.

2660-302-046—For capital outlay, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund 21,254,500

Schedule:

(a) 30-Mass Transportation 44,370,000

(b) Reimbursements ..... −23,115,500

Provisions:

1. Of the funds appropriated in this item, $19,366,000 shall be allocated for projects in the San Diego-Los Angeles-Santa Barbara rail corridor in a manner so that not less than 50 percent is allocated to projects located between Los Angeles and Santa Barbara.

   By March 31, 1990, local agencies in the San Diego-Los Angeles-Santa Barbara rail corridor shall submit to the California Transportation Commission a letter committing matching funds for projects ready for allocation in the 1989–90 fiscal year. Notwithstanding the above 50-percent minimum allocation requirement, if a commitment is not made by March 31, 1990, funds may be allocated to the highest priority projects in the corridor for which matching funds are available.

2. The department shall make every reasonable effort to secure an agreement to increase rail service in the Los Angeles-Santa Barbara rail corridor in order to provide by January 1, 1990, at least one additional train with daily rail service from Simi Valley and the San Fernando Valley to Los Angeles. To the extent feasible, this additional service shall be provided at a time which coincides with normal commute hours.

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3. Of the amount appropriated in this item, $1,925,000 shall be allocated for projects on the San Joaquin Rail Service.
4. It is the intent of the Legislature that the funds appropriated in this item and the allocations made pursuant to Provisions 1 and 3 of this item may be used for the acquisition of rail cars and locomotives in addition to capital improvement projects.

2660-311-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund 631,000

Schedule:

(1) 20.20.010.199—Minor Projects..... 631,000

Provisions:

1. For Program 20—Highway Transportation. Savings on projects within this item may be used by the California Transportation Commission to augment other projects within this item.
2. For Program 20—Highway Transportation. Up to 20 percent of this item may be transferred from Item 2660-301-042 of this act to enable the California Transportation Commission to allocate supplemental funds to projects in this item. The transfer may only be made with the approval of the commission. Also, the Department of Finance shall be notified of the transfer prior to the commission approving any transfer and allocating such funds to any project.

2660-399-042—For the Department of Transportation, for final cost accounting of projects funded by both state and federal funds for which appropriations have expired, for state operations, local assistance, or capital outlay, payable from the State Highway Account, State Transportation Fund 5,000,000

2660-490—Notwithstanding any other provisions of law, the unliquidated encumbrances of the capital outlay appropriations provided in the following citations are available for expenditure until June 30, 1990. In addition, the amounts specified below are appropriated in augmentation of these items for the same period and purpose. The funds continued for expenditure from the following citations shall be available for allocation by the California Transportation Commission to any project whether or not included in an adopted State Transportation Improvement Program:

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042—For Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund

(1) Item 2660-301-042, Budget Act of 1983—$1,000,000

(2) Item 2660-301-042, Budget Act of 1984—$2,000,000

(3) Item 2660-301-042, Budget Act of 1985—$3,000,000

890—For Program 20—Highway Transportation, payable from the Federal Trust Fund

(1) Item 2660-301-890, Budget Act of 1983—$3,000,000

(2) Item 2660-301-890, Budget Act of 1984—$6,000,000

(3) Item 2660-301-890, Budget Act of 1985—$8,000,000

(4) Item 2660-301-890, Budget Act of 1986—$10,000,000

2660-491—Reappropriation—Department of Transportation, Program 20—Highway Transportation. Notwithstanding any other provisions of law, and in accordance with subdivision (c) of Section 16304 of the Government Code, the unliquidated encumbrances for the appropriations provided in the following citations, are reappropriated without regard to fiscal year, to enable continuing liquidation of these encumbrances, and to allow project savings to be available for local assistance projects previously funded. The unencumbered balance shall not be available for encumbrance.

042—State Highway Account

(1) Item 2660-101-042, Budget Act of 1988

045—Bicycle Lane Account

(1) Item 2660-101-045, Budget Act of 1988

046—Transportation Planning and Development Account

(1) Item 2660-101-046, Budget Act of 1983

(2) Item 2660-101-046, Budget Act of 1984

890—Federal Trust Fund

(1) Item 2660-101-890, Budget Act of 1988

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2660-492—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the unencumbered and unliquidated balances, or the portion thereof as specified in this item, as of June 30, 1989, of the appropriations in the following citations, are reappropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 1990, except as otherwise specified:

036—Special Account for Capital Outlay

(1) Chapter 407, Statutes of 1985..... 2,571,000

164—Outer Continental Shelf Land Act Section 8(g) Revenue Fund

(1) Chapter 1440, Statutes of 1985, as reappropriated by Chapter 1530, Statutes of 1988

890—Federal Trust Fund

(1) Chapter 1440, Statutes of 1985..... 5,198,000

2660-493—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the unencumbered and unliquidated balances, or portion thereof as specified in this item, as of June 30, 1989, of the appropriations in the following citations, are reappropriated for the purposes provided for in those appropriations and shall be available for expenditure until September 28, 1990, except as otherwise specified:

042—State Highway Account

(1) Chapter 1472, Statutes of 1988..... 9,500,000

046—Transportation Planning and Development Account

(1) Item 2660-001-046, Budget Act of 1986—for mass transit rail car purchases.

(2) Item 2660-001-890, Budget Act of 1988—for an aviation study.

2660-494—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the unencumbered and unliquidated balances, or the portion thereof as specified in this item, as of June 30, 1989, of the appropriations in the following citations, are reappropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 1990, except as otherwise specified:

429—Local Jurisdiction Energy Assistance Account

Item		Amount
(1) Chapter 1343, Statutes of 1986		
2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund		302,000
Schedule:		
(a) 10-California Traffic Safety	7,283,000	
(b) Amount payable from the Federal Trust Fund (Item 2700-001-890)	−6,961,000	
(c) Reimbursements	−20,000	
2700-001-890—For support of Office of Traffic Safety, for payment to Item 2700-001-044, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00		6,961,000
2700-101-890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund, not subject to the provisions of Section 28 00		7,363,000
2720-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		538,806,000
Schedule:		
(a) 10-Traffic Management	493,600,000	
(b) 20-Regulation and Inspection	51,288,000	
(c) 30-Vehicle Ownership Security	11,713,000	
(d) 40.01-Administration	101,932,000	
(e) 40.02-Distributed Administration	−101,932,000	
(f) Reimbursements	−11,215,000	
(g) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-840)	−1,849,000	
(h) Amount payable from the Asset Forfeiture Fund (Item 2720-001-847)	−2,000,000	
(i) Amount payable from the Federal Trust Fund (Item 2720-001-890)	−2,731,000	
Provisions:		
1. The amount of $473,000 available in this item for the purchase of information technology software and hardware for the inhalation hazards program may be expended only after the Department of Finance has reviewed and approved the inhalation hazards route feasibility study report and has notified the fiscal committees and the Joint Legislative Budget Committee of the Legislature of its review and approval.		

Item			Amount
2720-001-840—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the California Motorcyclist Safety Fund			1,849,000
2720-001-847—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Asset Forfeiture Fund			2,000,000
2720-001-890—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Federal Trust Fund			2,731,000
2720-011-044—For payments of deficiencies in appropriations for the Department of the California Highway Patrol, Program 97 Unallocated, which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund			(2,000,000)
Provisions:			
1. The Director of Finance shall report allocations from this item in the same manner as required for reporting allocations from Item 9840-001-494 of this act.			
2720-021-044—For Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed $5,000,000 during the 1989–90 fiscal year, for delivery beginning in the 1990–91 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund			(5,000,000)
2720-301-044—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund			5,163,000
Schedule:			
(1) 50.01.001-Minor Projects		451,000	
(2) 50.10.041-Academy New Skid Facility—Construction		686,000	
(3) 50.15.105-Garberville-Purchase of Leased Facility—Acquisition		1,001,000	
(4) 50.16.106-Northern Division (Redding)-Purchase of Leased Facility —Acquisition		1,804,000	
(5) 50.17.107-Red Bluff-Purchase of Leased Facility—Acquisition		1,015,000	
(6) 50.32.302-San Francisco-Replacement Facility—Preliminary Plans		93,000	

Item		Amount
(7) 50.51.501-Central Los Angeles–Replacement Facility—Preliminary Plans	93,000	
(8) 50.90.900–Various—Property Options and Appraisals	20,000	

Provisions:

1. The funds appropriated in category (8) shall be available for expenditure only during the 1989–90 fiscal year and shall be used only in connection with projects which are to be included in the Budget submitted by the Governor for the 1990–91 fiscal year.
2. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the California Highway Patrol, may enter into a lease-purchase agreement or a lease with an option to purchase, with an initial option purchase price over $2,000,000, to provide adequate office and parking facilities for area offices in Newhall, East Los Angeles, Indio, Ontario, West San Jose, and Santa Ana.

2720-495—Reversion, Department of the California Highway Patrol. As of June 30, 1989, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.

044—Motor Vehicle Account, State Transportation Fund

(1) Item 2720-301-044(2), Budget Act of 1987, 50.10.041.871-Academy-New Skid Facility —Construction.

2740-001-001—For support of Department of Motor Vehicles, for payment to Item 2740-001-044 64,000

Provisions:

1. The funds appropriated by this item are for the Anatomical Donor Designation program.

2740-001-044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund 273,678,000

Schedule:

(a) 11-Vehicle/Vessel Identification and Compliance	229,327,000	
(b) 22-Driver Licensing and Personal Identification	114,627,000	
(c) 25-Driver Safety	51,421,000	

Item		Amount
(d)	32-Occupational Licensing and Investigative Services	24,919,000
(e)	35-New Motor Vehicle Board	1,059,000
(f)	41.01-Administration	50,185,000
(g)	41.02-Distributed Administration	−50,185,000
(h)	Reimbursements	−9,579,000
(i)	Amount payable from the General Fund (Item 2740-001-001)	−64,000
(j)	Amount payable from the New Motor Vehicle Board Account (Item 2740-001-054)	−1,059,000
(k)	Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-064)	−132,944,000
(*l*)	Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-516)	−3,612,000
(m)	Amount payable from the Federal Trust Fund (Item 2740-001-890)	−417,000

Provisions:

2. No funds available in this item may be used to contract with the Prisons Industries Authority for the purpose of using inmate labor to handle driver or vehicle registrant information that includes names linked with addresses.
3. (a) In accordance with Chapter 1459 of the Statutes of 1988, the Director of Motor Vehicles shall ensure that the minimum standards for volume levels, audit and security safeguards and technological requirements, including dedicated leaselines into the Department of Motor Vehicles, mandated for the pilot program for direct computer access to vehicle registration information for commercial use, shall be continued while the program is expanded to a statewide scope of operation and thereafter.

   (b) The Director of Motor Vehicles shall take no action to expand the pilot project until 60 days after notification to the chairpersons of the legislative policy committees on transportation and of the Joint Legislative Budget Committee of the security measures put into place to ensure the security and protection of DMV records.

Item	Amount
2740-001-054—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the New Motor Vehicle Board Account, State Transportation Fund	1,059,000
2740-001-064—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund	132,944,000
2740-001-516—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Harbors and Watercraft Revolving Fund ..	3,612,000
Provisions:	
1. The funds appropriated by this item are for undocumented vessel registration and fee collection.	
2740-001-890—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Federal Trust Fund	417,000
2740-011-044—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund. ..	(1,000,000)
Provisions:	
1. The Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 9840-001-494 of this act.	
2740-301-044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	981,000
Schedule:	
(1) 71.01.000-Minor Projects 586,000	
(2) 71.03.012-Physical Security System and Public Access Control —Working drawings and construction 395,000	
Provisions:	
1. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Department of Motor Vehicles, may enter into a lease-purchase agreement or a lease with option to purchase, with an initial option purchase price over $2,000,000, to provide adequate office and parking facilities for field officers in Corona, Redding, Escondido, and Sacramento.	

Item	Amount
2740-490—Reappropriation, Department of Motor Vehicles. The balance of the appropriation provided in the following citation is reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1990:	
044—Motor Vehicle Account, State Transportation Fund	
(1) Item 2740-301-044(2), Budget Act of 1987—71.03.011—Sacramento Headquarters-Site Preparation for Computer Replacement —Construction.	
2740-495—Reversion, Department of Motor Vehicles. After June 30, 1989, the unencumbered balance of the appropriations provided in the following citations shall revert to the balance of the fund from which the appropriation was made.	
044—Motor Vehicle Account, State Transportation Fund.	
(1) Chapter 673, Statutes of 1987.	
(2) Chapter 881, Statutes of 1987.	
(3) Chapter 1509, Statutes of 1988.	
2780-001-683—For support of Stephen P. Teale Data Center, Business, Transportation and Housing Agency, payable from the Stephen P. Teale Data Center Revolving Fund	81,560,000
Schedule:	
(a) Support 81,595,000	
(b) Reimbursements −35,000	
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the data center in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
2780-010-683—For transfer by the Controller to the General Fund on June 30, 1989, payable from the Stephen P. Teale Data Center Revolving Fund	(4,000,000)
Provisions:	

Item Amount

1. Notwithstanding Section 11754 of the Government Code, the Controller shall transfer on June 30, 1989, $4,000,000 from the Stephen P. Teale Data Center Revolving Fund to the General Fund.

RESOURCES

3110-001-001—To the Resources Agency, Special Resources Program, Program 30—Sea Grant Program, for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966.. 525,000

Provisions:

1. The amount appropriated in this item is in lieu of any amount which would otherwise be received pursuant to Section 6217 of the Public Resources Code.

3110-101-001—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency 777,000

Provisions:

1. All funds appropriated in this item shall be provided to the Tahoe Regional Planning Agency within 30 days after the effective date of this act, in accordance with Section 66801 of the Government Code.

3110-101-140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund..... 529,000

Provisions:

1. The Tahoe Regional Planning Agency shall use the funds appropriated by this item in the following manner: $280,000 to continue the existing water and air quality monitoring effort; $80,000 to continue the community planning process; $50,000 to implement the Individual Parcel Evaluation System, $26,000 to continue the development of the Tahoe Environmental Geographic Information System; $33,000 to evaluate the progress towards meeting environmental thresholds and standards pursuant to the Tahoe Regional Plan; and, $60,000 for mapping stream environment zones and floodplains.
2. All funds appropriated in this item shall be pro-

Item		Amount
vided to the Tahoe Regional Planning Agency within 30 days after the effective date of this act, in accordance with Section 66801 of the Government Code.		
3110-101-164—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		60,000
Provisions:		
1. All funds appropriated in this item shall be provided to the Tahoe Regional Planning Agency within 30 days of the effective date of this act, in accordance with Section 66801 of the Government Code.		
3125-001-001—For support of California Tahoe Conservancy		799,000
Schedule:		
(a) 10-Tahoe Conservancy	1,633,000	
(b) Amount payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3125-001-164)	−51,000	
(c) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-568)	−56,000	
(d) Amount payable from the Lake Tahoe Acquisitions Fund (Item 3125-001-720)	−727,000	
3125-001-164—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		51,000
3125-001-568—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Tahoe Conservancy Fund		56,000
Provisions:		
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay to the County of Placer, $14,000.		
2. Fifty percent (50%) of the amount appropriated under Provision 1 above shall be used by the County of Placer for soil erosion control projects in the Lake Tahoe region, as defined in Section 66905.5 of the Government Code.		
3125-001-720—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Lake Tahoe Acquisitions Fund		727,000

Item Amount

3125-101-140—For local assistance, California Tahoe Conservancy, Program 10, for soil erosion control grants, payable from the Environmental License Plate Fund 1,000,000

Provisions:

1. Notwithstanding any other provision of law, the unliquidated encumbrance, as of June 30, 1990, shall be available for expenditure until June 30, 1993.

3125-301-235—For capital outlay, California Tahoe Conservancy, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund 1,000,000

Schedule:

(1) 50.30.002-Capital outlay, pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.

Provisions:

1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.
2. The amount appropriated by this item is available for expenditure for capital outlay or for grants. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.
3. The funds appropriated in this item are available only to supplement existing conservancy programs to protect, restore, enhance, or maintain fish, waterfowl, and wildlife habitat in accordance with subparagraph (A) of paragraph (5) of subdivision (b) of Section 30122 and Section 30125 of the Revenue and Taxation Code.

3125-301-720—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Acquisitions Fund 5,000,000

Schedule:

(1) 50.20.002-Land acquisition pursuant to subdivisions (a), (b) and (c) of Section 66957 of the Government Code 5,000,000

Provisions:

1. The acquisition of real property or interests

Item		Amount

with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.

2. The amount appropriated by this item is available for expenditure for capital outlay or for grants. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.

3125-490—Reappropriation, California Tahoe Conservancy. Notwithstanding any other provision of law, the unliquidated encumbrance, as of June 30, 1989, from the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations, and shall be available for expenditure until the date specified in the following citations.

(1) Item 3125-101-890, Budget Act of 1986, available for expenditure until June 30, 1990.
(2) Item 3125-101-140, Budget Act of 1987, available for expenditure until June 30, 1991.
(3) Item 3125-101-890, Budget Act of 1987, available for expenditure until June 30, 1991.
(4) Item 3125-101-140, Budget Act of 1988, available for expenditure until June 30, 1992.
(5) Item 3125-101-890, Budget Act of 1988, available for expenditure until June 30, 1992.

3300-001-021—For loans to the State Assistance Fund for Energy, California Business and Industrial Development Corporation to be disbursed by the State Controller pursuant to Sections 32820 through 32823 of the Financial Code, payable from the State Energy Loan Fund Account, General Fund 313,000

3340-001-001—For support of California Conservation Corps 40,739,964

Schedule:

(a) 10-Training and Work Program ...	56,407,034
(b) 20.01-Administration	4,376,000
(c) 20.02-Distributed Administration .	−4,376,000
(d) Reimbursements	−9,330,070
(e) Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465)	−5,769,000

Item		Amount
(f) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-235)	−210,000	
(fx) Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund	−358,000	

Provisions:

1. Of the amount appropriated in this item, $410,000 shall be expended for computer learning labs.
2. It is the Legislature's intent to expand the nonresidential programs established pursuant to Chapter 3.5 (commencing with Section 14400) of Division 12 of the Public Resources Code to new sites only if the California Conservation Corps can ensure that existing corps are not placed in a financially precarious condition by that action. The California Conservation Corps shall not reduce the existing local nonresidential programs by more than $160,000 from the amount that existing programs received in the 1988–89 fiscal year.

3340-001-235—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	210,000
3340-001-236—For support of California Conservation Corps, Program 10—Training and Work Program, for payment to Item 3340-001-001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund	358,000
3340-001-465—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Energy Resources Programs Account, General Fund	5,769,000
3340-301-036—For capital outlay, California Conservation Corps, payable from the Special Account for Capital Outlay	783,000

Schedule:

(a) 30.30.020-San Luis Obispo Training Academy-Improvements-Construction	783,000

Item			Amount
3360-001-033—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the State Energy Conservation and Assistance Account, General Fund			7,848,000
Provisions:			
1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1993.			
3360-001-044—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Motor Vehicle Account, State Transportation Fund.			99,000
3360-001-429—Notwithstanding any other provisions of law, the commission may make energy conservation loans to school districts with fewer than 2,501 average daily attendance at an interest rate no higher than the average rate earned in the prior year by the Pooled Money Investment Account, nor at a rate lower than 2 percent less than that average rate.			
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund			33,224,000
Schedule:			
(a) 100000-Personal Services		22,844,000	
(b) 300000-Operating Expenses and Equipment		12,431,000	
(c) Special Items of Expense		14,609,000	
(1) Energy Technologies Research, Development and Demonstration projects	5,576,000		
(2) Siting and Permit assistance	300,000		
(3) Energy Conservation Assistance Loans	7,433,000		
(4) Solar Energy and Energy Conservation Bank	150,000		
(5) Export Development Project	250,000		

Item		Amount
	(6) Technology Export Conference... 50,000	
	(7) Assistance to Small School Districts..... 850,000	
(d)	Reimbursements.....	−150,000
(e)	Amount payable from State Energy Conservation and Assistance Account (Item 3360-001-033).....	−7,848,000
(f)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044) .	−99,000
(g)	Amount payable from the Energy Technologies Research, Development and Demonstration Account (Item 3360-001-479).....	−4,297,000
(h)	Amount payable from Petroleum Violation Escrow Account (Item 3360-001-853).....	−1,171,000
(i)	Amount payable from the Federal Trust Fund (Item 3360-001-890)..	−1,385,000
(j)	Amount payable from the Clean Fuels Account, General Fund (Chapter 1340, Statutes of 1986) .	−50,000
(k)	Amount payable from the Local Jurisdiction Energy Assistance Account, General Fund (Chapter 1343, Statutes of 1986).....	−170,000
(kx)	Amount payable from Energy Technologies Research, Development, and Demonstration Account (Reappropriated Item 3360-001-479).....	−1,179,000
(*l*)	Amount payable from Petroleum Violation Escrow Account (Chapter 1338, Statutes of 1986).....	−40,000
(m)	Amount payable from Petroleum Violation Escrow Account (Chapter 1341, Statutes of 1986).....	−50,000
(n)	Amount payable from Petroleum Violation Escrow Account (Chapter 1426, Statutes of 1988).....	−121,000
(o)	Amount payable from Energy Technologies Research, Development, and Demonstration Account (Chapter 1595, Statutes of 1984).....	−100,000

Item	Amount
Provisions: 1. A total of 2.5 positions in the Power Plant Siting Division (1 clerical and 1.5 professional) shall be converted to a limited term basis for the 1989–90 fiscal year to reflect the workload savings resulting from implementation of the optical disk computer system.	
3360-001-479—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Energy Technologies Research, Development and Demonstration Account for purposes of funding loans and grants to provide a variety of contract research projects	4,297,000
Provisions: 1 Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1993.	
3360-001-853—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from Petroleum Violation Escrow Account	1,171,000
3360-001-854—For support of the State Energy Resources and Development Commission, for the School Bus Fund created by Section 17911 of the Education Code, payable from the Katz School Bus Fund.	2,000,000
3360-001-890—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Federal Trust Fund	1,385,000
3360-011-031—State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the State Controller shall transfer the unencumbered balance of the State Agricultural and Forestry Residue Utilization Account, General Fund, to the General Fund. Any subsequent contract repayments pursuant to Chapter 7.3 (commencing with Section 25630) of Division 15 of the Public Resources Code shall be transferred to the General Fund	(10,000)
3360-011-465—For transfer by the State Controller from the Energy Resources Programs Account (465) to the Energy Technologies, Research, Development and Demonstration Account (479) for purposes of funding loans and grants to develop a variety of contract research projects	(3,500,000)

Item Amount

3360-011-853—For transfer by the State Controller from the Petroleum Violation Escrow Account (853) to the Katz School Bus Fund (854) created by Section 17911 of the Education Code..... (2,000,000)

3360-101-497—For local assistance, State Energy Resources Conservation and Development Commission, pursuant to the provisions of Public Resources Code Section 3822, payable from the Local Government Geothermal Resources Revolving Subaccount, General Fund 2,008,000

Provisions:

1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1993.

3360-490—Extension of encumbrance and liquidation periods, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the funds appropriated in the following citations shall be available for encumbrance until June 30, 1992, and shall be available for liquidation until June 30, 1994.

427—Clean Fuels Account:

(1) Chapter 1340, Statutes of 1986.

429—Local Jurisdiction Energy Assistance Account:

(1) Chapter 1343, Statutes of 1986.

853—Petroleum Violation Escrow Account:

(1) Chapter 1338, Statutes of 1986.

(2) Chapter 1341, Statutes of 1986.

3360-491—Extension of liquidation period, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the funds appropriated in the following citations shall be available for liquidation as specified below.

479—Energy Technologies Research, Development and Demonstration Account:

(1) Item 3360-001-479, Budget Act of 1987, liquidation period extended to June 30, 1992.

(2) Item 3360-001-479, Budget Act of 1988, liquidation period extended to June 30, 1994.

033—Energy Conservation Assistance Account:

(3) Item 3360-001-033, Budget Act of 1986, liquidation period extended to June 30, 1991.

890—Federal Trust Fund:

Item		Amount
(4) Item 3360-001-890, Budget Act of 1985, liquidation period extended to June 30, 1991.		
3360-492—Reappropriation, State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations are reappropriated for the purposes provided for in such appropriations, and shall be available for encumbrance until June 30, 1990.		
479—Energy Technologies, Research, Development and Demonstration Account:		
(1) Chapter 1595, Statutes of 1984		
(2) Item 3360-001-479, Budget Act of 1988		
3380-001-001—For support of California Waste Management Board		4,612,000
Schedule:		
(a) 100000-Personal Services	3,472,000	
(b) 300000-Operating Expenses and Equipment	1,140,000	
Provisions:		
1. The board shall, on or before July 1, 1989, transfer to the General Fund all funds remaining in the Lassen College Cogeneration and Training Facility Trust Fund. The transfer shall include, but not be limited to: (1) the $225,000 unexpended principal remaining from the original $570,000 grant from the board to Lassen College, and (2) any interest accruing to the account.		
2. It is the intent of the Legislature that, in accordance with existing law, the funds appropriated by this item shall be expended in a manner consistent with the goal of achieving the most advanced level of integrated solid waste management, emphasizing waste reduction, reuse, and recycling.		
3380-001-435—For support of California Waste Management Board, payable from the Solid Waste Disposal Site Cleanup and Maintenance Account, General Fund		148,000
3400-001-001—For support of State Air Resources Board		2,861,000
Schedule:		
(a) 10-Air Pollution Control	69,446,000	
(b) 20-Environmental Affairs	3,776,000	
(c) Reimbursements	−3,568,000	

Item		Amount
(d)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-001-044)	—48,211,000
(e)	Amount payable from the Air Pollution Control Fund (Item 3400-001-115)	—7,482,000
(f)	Amount payable from the California Environmental License Plate Fund (Item 3400-001-140)	—289,000
(g)	Amount payable from Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3400-001-164)	—2,050,000
(h)	Amount payable from the Vehicle Inspection and Repair Fund (Item 3400-001-421)	—4,198,000
(i)	Amount payable from the Air Toxics Inventory and Assessment Account, General Fund (Item 3400-001-434)	—1,364,000
(ix)	Amount payable from the Energy Resources Programs Account, General Fund (Item 3400-001-465)	—196,000
(j)	Amount payable from the Federal Trust Fund (Item 3400-001-890)	—3,003,000

Provisions:

1. The state's share of the San Joaquin Valley Data Collection and Modeling Study shall not exceed 30 percent of the total expenditures for this study.
2. During the period the San Joaquin Valley Data Collection and Modeling Study is being conducted, the provisions of the State Implementation Plan adopted by the State Air Resources Board relative to oil production activities in Kern County shall be fully implemented and enforced.
3. Of the amount appropriated in this item, $1,000,000 ($750,000 transferred from Item 3400-001-044, and $250,000 transferred from Item 3400-001-140) is for a San Joaquin Valley Data Collection and Modeling Study. The State Air Resources Board may advance these funds to the San Joaquin Valleywide Air Pollution Study Agency, with whom the board shall contract for the conduct of the study.

Item	Amount
4. The Environmental Affairs Agency shall designate a position to oversee agencywide affirmative action programs which focus on underrepresentation issues and achievement of employment parity goals, and shall establish an advisory committee to assist the agency in its efforts to improve agencywide identification, outreach, recruitment, hiring, training, and promotion of underrepresented groups and to develop initiatives to achieve employment and job category parity for ethnic minorities, women, and the disabled in the state work force. The advisory committee shall include, but not be limited to, the agency designee and a representative from each of the departments, boards, and offices reporting to the agency and shall include representation of ethnic minorities, women, and the disabled.	
5. Of the amount appropriated in the item transferred from Item 3400-001-115 for implementation of the California Clean Air Act, $300,000 shall be available for computer modeling on a one-time basis.	
3400-001-044—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the Motor Vehicle Account, State Transportation Fund	48,211,000
3400-001-115—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the Air Pollution Control Fund	7,482,000
3400-001-140—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the California Environmental License Plate Fund	289,000
3400-001-164—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund	2,050,000
3400-001-421—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the Vehicle Inspection and Repair Fund	4,198,000
3400-001-434—For support of the State Air Resources Board, for payment to Item 3400-001-001, payable from the Air Toxics Inventory and Assessment Account, General Fund	1,364,000

Item		Amount
3400-001-465—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the Energy Resources Programs Account, General Fund		196,000
3400-001-890—For support of State Air Resources Board, for payment to Item 3400-001-001, payable from the Federal Trust Fund		3,003,000
3400-101-044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund		7,511,000
Schedule:		
(a) 500004-Subventions	7,011,000	
(b) 500005-Special Grants	500,000	
Provisions:		
1. Of the funds appropriated by this item, $500,000 in category (b) shall be available for special grants to rural districts. In order to qualify for a special grant, a district shall have a fee system in place which recovers the cost of issuing and renewing permits, performing source inspections, determining compliance status, and processing variances for major air pollution sources (that is, those sources that produce 25 tons per year or more) in the district.		
3400-101-164—For local assistance, State Air Resources Board, for grants to local air pollution control districts, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		500,000
3400-301-115—For capital outlay, Air Resources Board, payable from the Air Pollution Control Fund		958,000
Schedule:		
(1) 50.90.001-Haagen-Smit Laboratory: Modifications—Construction	958,000	
3460-001-001—For support of Colorado River Board of California		270,000
Schedule:		
(a) 100000-Personal Services	667,000	
(b) 300000-Operating Expenses and Equipment	176,000	
(c) Reimbursements	−562,000	
(d) Amount payable from the California Environmental License Plate Fund (Item 3460-001-140)	−11,000	

Item		Amount
3460-001-140—For support of Colorado River Board, for payment to Item 3460-001-001, payable from the California Environmental License Plate Fund.....		11,000
Provisions:		
1. The funds appropriated by this item are for the Salinity Control Forum.		
3480-001-001—For support of Department of Conservation		14,604,000
Schedule:		
(a) 10-Geologic Hazards and Mineral Resources Conservation	11,958,000	
(b) 20-Oil, Gas, and Geothermal Protection.....	9,290,000	
(c) 30-Special Services for Resources Protection	1,376,000	
(d) 40.01-Administration	5,156,000	
(e) 40.02-Distributed Administration .	−5,156,000	
(f) 50-Beverage Container Recycling and Litter Reduction Program....	19,758,000	
(g) Reimbursements.....	−1,065,000	
(h) Amount payable from the Surface Mining and Reclamation Account, General Fund (Item 3480-001-035).....	−1,983,000	
(i) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-042).....	−12,000	
(j) Amount payable from the Soil Conservation Fund (Item 3480-001-141).....	−1,103,000	
(k) Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-133)...	−19,758,000	
(*l*) Amount payable from the California Water Fund (Item 3480-001-144).....	−12,000	
(m) Amount payable from the Strong Motion Instrumentation Program Fund (Item 3480-001-398)	−3,105,000	
(n) Amount payable from the Methane Gas Hazards Reduction Account, General Fund (Item 3480-001-433).....	−66,000	
(o) Amount payable from the Federal Trust Fund (Item 3480-001-890)..	−624,000	

Item	Amount
(p) Amount payable from the Insurance Fund (Chapter 1112, Statutes of 1987)	−50,000
3480-001-035—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Surface Mining and Reclamation Account, General Fund	1,983,000
3480-001-042—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the State Highway Account, State Transportation Fund.....	12,000
Provisions:	
1. The funds appropriated by this item are for the state's share of the California Institute of Technology seismograph network.	
3480-001-133—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the California Beverage Container Recycling and Litter Reduction Fund.....	19,758,000
Provisions:	
1. Of the amount appropriated in this item, $600,000 is for the purchase of a computer system that allows the Division of Recycling to access recycling and other beverage container information stored on various data bases, except that the computer system may only be purchased after approval of a feasibility study report by the Office of Information Technology.	
3480-001-141—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Soil Conservation Fund.....	1,103,000
3480-001-144—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the California Water Fund.....	12,000
Provisions:	
1. The funds appropriated by this item are for the state's share of the California Institute of Technology seismograph network.	
3480-001-398—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Strong Motion Instrumentation Program Fund.....	3,105,000
3480-001-433—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Methane Gas Hazards Reduction Account, General Fund	66,000

Item		Amount
3480-001-890—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Federal Trust Fund		624,000
3480-101-433—For local assistance, Department of Conservation, Program 20—Oil, Gas, and Geothermal Protection, payable from the Methane Gas Hazards Reduction Account, General Fund		34,000
3480-490—Reappropriation, Department of Conservation. Notwithstanding any other provisions of law, the unencumbered balance of the appropriation provided in Item 3480-101-433 of the Budget Act of 1988 is reappropriated for the purpose provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1990.		
3540-001-001—For support of Department of Forestry and Fire Protection		216,273,000
Schedule:		
(a) 100000-Personal services	216,724,000	
(b) 300000-Operating expenses and equipment	90,570,000	
(c) Reimbursements	−68,104,000	
(d) Less transfer from Items 5240-001-001 and 5460-001-001	−5,264,000	
(dx) Amount payable from the Special Account for Capital Outlay (Item 3540-001-036)	−2,905,000	
(e) Amount payable from the California Environmental License Plate Fund (Item 3540-001-140)	−4,299,000	
(f) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-235)	−1,273,000	
(fx) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-236)	−300,000	
(g) Amount payable from the Professional Forester Registration Fund (Item 3540-001-300)	−121,000	
(h) Amount payable from California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3540-001-786)	−35,000	
(i) Amount payable from the Federal Trust Fund (Item 3540-001-890)	−5,188,000	

Item		Amount
(j) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928)		−3,508,000
(k) Amount payable from the Timber Tax Fund (Item 3540-001-965)		−24,000

Provisions:

1. No funds appropriated to the Department of Forestry and Fire Protection by this or any other act shall be used to provide assistance in planning or carrying out prescribed burning projects conducted on U.S. Forest Service or Bureau of Land Management lands unless those agencies agree, in writing, to indemnify the state for all suppression costs incurred in the event the fire escapes.
2. Notwithstanding any other provision of law the Director of Finance may authorize temporary or permanent redirection of funds from this item for purposes of emergency fire suppression and detection costs and related emergency revegetation costs.
3. Upon executive order of the Department of Finance, funds necessary for the activation of new camps shall be transferred from Items 5240-001-001 and 5460-001-001 to and in augmentation of this item.

3540-001-036—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Special Account for Capital Outlay	2,905,000
3540-001-140—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the California Environmental License Plate Fund	4,299,000
3540-001-235—For support of Department of Forestry and Fire Protection for payment to Item 3540-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	1,273,000
3540-001-236—For support of the Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund	300,000

Item	Amount
3540-001-300—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Professional Forester Registration Fund	121,000
3540-001-786—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the California Wildlife Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	35,000
3540-001-890—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Federal Trust Fund	5,188,000
Provisions:	
1. The Department of Forestry and Fire Protection is authorized to collect and hold federal recoveries in excess of budgeted levels within the Federal Trust Fund for appropriation in subsequent years. Funds will be used in support of cooperative fire protection services on Bureau of Land Management lands. Maximum amount shall not exceed $1,104,000.	
3540-001-928—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Forest Resources Improvement Fund	3,508,000
3540-001-965—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Timber Tax Fund	24,000
3540-011-928—For transfer to the General Fund, in accordance with subdivision (a) of Section 4799.13 of the Public Resources Code, for the costs of operation of the state forests for the period July 1, 1989, through June 30, 1990, payable from the Forest Resources Improvement Fund	(1,674,000)
3540-101-786—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	633,000
3540-301-036—For capital outlay, Department of Forestry and Fire Protection, payable from the Special Account for Capital Outlay	3,705,000

Item		Amount
Schedule:		
(1) 30.20.015-Shasta Forest Fire Station-New fire station-Working drawings, construction, and equipment	1,037,000	
(2) 30.20.045-Tehama-Glenn Ranger Unit Headquarters-Apparatus building-Working drawings, construction, and equipment	474,000	
(3) 30.20.055-Feather Falls Forest Fire Station-Fire station replacement-Preliminary plans and working drawings	47,000	
(4) 30.20.065-Pondosa Forest Fire Station-Fire station replacement-Preliminary plans	19,000	
(5) 30.30.075-Bitterwater Helitack Base-New base-Construction and equipment	907,000	
(6) 30.30.080-Sandy Point Forest Fire Station-Fire station replacement-Preliminary plans	34,000	
(7) 30.50.030-De Luz Forest Fire Station-Fire station replacement-Working drawings, construction, and equipment	541,000	
(8) 30.80.000-Minor projects	646,000	
3540-301-928—For capital outlay, Department of Forestry, payable from the Forest Resources Improvement Fund		363,000
Schedule:		
(1) 30.30.050-Mountain Home Demonstration State Forest-State Lands Parcel-Acquisition	363,000	
Provisions:		
1. Notwithstanding Section 4799.13 of the Public Resources Code, the amounts appropriated in category (1) shall be available for the acquisition of the State Lands Parcel for the Mountain Home Demonstration State Forest.		
3560-001-001—For support of State Lands Commission		15,239,000
Schedule:		
(a) 10-Extractive Development	10,466,000	
(b) 20-Land Management and Conservation	9,109,000	
(c) 30.01-Administration	3,070,000	
(d) 30.02-Distributed Administration	−3,070,000	
(e) Reimbursements	−3,561,000	

Item		Amount
(f) Amount payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund (Item 3560-001-164)	−100,000	
(g) Amount payable from the California Environmental License Plate Fund (Item 3560-001-140)	−675,000	

Provisions:

1. Notwithstanding the provisions of subdivision (d) of Section 4 of Chapter 138, Statutes of 1964, 1st Extraordinary Session, all commission costs for administering Long Beach Tidelands, exclusive of any Attorney General charges, shall be included in revenues deposited into the General Fund pursuant to paragraph (2) of subdivision (a) of Section 6217 of the Public Resources Code.
2. All costs incurred to manage State School Lands shall be deducted from the revenues produced by those lands and deposited into the General Fund pursuant to Chapter 1213 of the Statutes of 1983.

3560-001-140—For support of State Lands Commission, for payment to Item 3560-001-001, payable from the California Environmental License Plate Fund 675,000

3560-001-164—For support of State Lands Commission, for payment to Item 3560-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund 100,000

3560-301-036—For capital outlay, State Lands Commission, payable from the Special Account for Capital Outlay 1,155,000

Schedule:

(1) 40.10.010-Statewide—Hazard Removal Program 1,155,000

Provisions:

1. Funds appropriated in category (1) of this item shall be used only for the removal of those hazards identified as moderate risks in the commission's Hazards Inventory Report to the Legislature. As findings within the inventory report constitute sufficient information as to the nature of these hazards, expenditures of funds from category (1) of this item shall not be subject to Public Works Board approval.

Item	Amount
3560-490—Reappropriation, State Lands Commission. The balances of the appropriations provided in the following citations are reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations.	
036—Special Account for Capital Outlay	
(1) Item 3560-301-036(1), Budget Act of 1987-40.10.010-Statewide-Hazard Removal Program.	
(2) Item 3560-301-036(1), Budget Act of 1988- 40.10.010-Statewide- Hazard Removal Program.	
Provisions:	
1. Notwithstanding any other provision of law, the commission may expend any unencumbered balance of Item 3560-301-036, Chapter 135, Statutes of 1987, and of Item 3560-301-036, Chapter 313, Statutes of 1988, for removal of additional hazards not identified in the commission's Hazards Inventory Report to the Legislature, if the commission determines that the additional hazards are in the extreme category, and not earlier than 30 days after notifying the Joint Legislative Budget Committee of its intent to make that expenditure.	
3580-001-001—For support of Seismic Safety Commission, Program 10	953,000
3600-001-001—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the General Fund	8,177,000
3600-001-036—For support of the Department of Fish and Game, for payment to Item 3600-001-200, payable from the Special Account for Capital Outlay	200,000
3600-001-140—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the California Environmental License Plate Fund	10,885,825
3600-001-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund	73,039,000
Schedule:	
(a) 100000-Personal Services 68,763,446	
(b) 300000-Operating Expenses and Equipment 64,671,879	
(c) Unallocated reduction ..... −686,000	
(d) Reimbursements ..... −10,394,000	

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(e) Amount payable from the General Fund (Item 3600-001-001) .... −8,177,000
(ex) Amount payable from Special Account for Capital Outlay (Item 3600-001-036) ..... −200,000
(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) ..... −10,885,825
(g) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-235) ..... −7,407,500
(h) Amount payable from the California Wildlife, Coastal , and Park Land Conservation Fund of 1988 (Item 3600-001-786) ..... −4,935,000
(i) Amount payable from the Federal Trust Fund (Item 3600-001-890) .. −17,711,000

Provisions:

1. The amount appropriated in this item may be increased with the approval of, and under the conditions set by, the Department of Finance to meet current obligations proposed to be funded by categories (d) and (i) of this item. The amount shall not be increased until the Department of Fish and Game has a valid contract, signed by the client agency, which provides sufficient funds to finance the increased authorization. This increased authorization may not be used to expand services or create new obligations.

   Reimbursements received under categories (d) and (h) of this item shall be used in repayment of any funds utilized to meet current obligations pursuant to this provision.
2. No later than 30 days prior to entering into any agreement for the temporary care and housing of animals, the director shall certify to the Joint Legislative Budget Committee all of the following:
   (a) The facilities of the proposed contractor are in full compliance with applicable state and federal law and regulations.
   (b) The facilities meet all applicable local and state health, fire, and life safety code requirements.
   (c) The facilities will prevent unnecessary hu-

Item Amount

man imprinting of wild animals that will be returned to their native habitat.

(d) The contractor and employees responsible for the care of wild and exotic animals are trained in and understand the behavior and needs of all species under their care, including proper sanitation, feeding, disease recognition and prevention, and animal handling techniques.

(e) The facilities have a permanent source of water, and adequate sewage system for animal caging areas, and complete perimeter fencing.

(f) Commercialization of animals transferred to the facility by the department is prohibited.

The department shall inspect twice yearly to verify a contractor's compliance with these conditions. The director shall cause any contract entered into for the temporary care and housing of animals to be unenforceable upon a finding of the director that the facility is not in compliance with the conditions described above.

3. Of the amount appropriated in this item for training, the department shall as a first priority provide training on proper budgeting and accounting techniques to all management and professional staff in the department that prepare, review, or evaluate budget change proposals or other budget information. The department shall use these funds to contract with persons or organizations outside of the department who are familiar with state budgeting and accounting practices, and shall ensure that all personnel that prepare, review, or evaluate budget information are properly trained.

4. Of the amount appropriated in this item, $240,000 is for purchase of a new aircraft to enforce fish and game laws. In accordance with the provisions of the California Wildlife, Coastal, and Park Land Conservation Act, the department shall use the aircraft at least 50 percent of the time to enforce laws to protect fish, marine birds, and marine mammals between Point Conception and Fort Bragg.

5. From the appropriation in this item, the department shall pay the County of Sonoma for the ac-

Item		Amount
	tual construction costs of a fish passage facility on the Healdsburg Dam, up to a maximum of $935,000.	
	6. Of the amount paid to the County of Sonoma from the appropriation in this item, one-half, up to a maximum of $455,000, shall be a loan which is to be repaid within 10 years at a fixed rate of 5.5 percent, compounded quarterly, beginning with the first payment to the County of Sonoma. Payment of the principal shall be deferred for five years, and the interest shall be paid annually. Payment of the principal shall start on the sixth year and end on the tenth year.	
	7. No funding shall be provided from this item to the County of Sonoma for the fish passage facility until it has contributed $25,000 up front for the project.	
	8. Of the amounts appropriated in Items 3600-001-235 and 3600-001-786 for fish, waterfowl, or wildlife habitat improvement, the Department of Fish and Game shall use $750,000 to contract with local community corps for habitat improvement work.	
3600-001-235—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		7,407,500
	Provisions:	
	1. The Department of Fish and Game shall coordinate with California State University, Humboldt to reduce or mitigate any negative impacts that the 1989 black bear special hunt might have on the research project.	
3600-001-786—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988		4,935,000
3600-001-890—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Federal Trust Fund		17,711,000
3600-011-001—For support of Department of Fish and Game (reimbursement of free fishing licenses), for transfer to the Fish and Game Preservation Fund, payable from the General Fund		14,000

Item		Amount
3600-011-235—For transfer to the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		(1,000,000)
3600-031-200—For support of Department of Fish and Game, for reimbursement to the State Department of Health Services for shellfish monitoring activities, payable from the Fish and Game Preservation Fund		203,000
Schedule:		
(a) 300000-Operating expenses and equipment	203,000	
3600-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund		948,000
Schedule:		
(1) 90.07.100-Minor projects	937,000	
(2) 90.88.002 - Darrah Springs Hatchery-Broodstock Ponds —Preliminary plans and working drawings	11,000	
(3) 90.88.006-Merced River-Salmon Rearing Facility—Construction	647,000	
(4) Reimbursements-Merced River —Salmon Rearing Facility— Construction	−647,000	

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3600-301-786—For capital outlay, Department of Fish and Game, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988		350,000
Schedule:		
(1) 90.91.001-Experimental Hatchery-Preliminary plans	350,000	
3600-301-890—For capital outlay, Department of Fish and Game, payable from the Federal Trust Fund		35,000
Schedule:		
(1) 90.88.002-Darrah Springs Hatchery-Broodstock Ponds— Preliminary plans and working drawings	35,000	

Item			Amount
3600-490—Reappropriation, Department of Fish and Game. Notwithstanding any other provision of law, the balance of the appropriations provided in the following citations are reappropriated for the purposes provided in the appropriations, and shall be available for encumbrance and expenditure from Item 3600-001-200 until June 30, 1990:			
(2) Chapter 1429, Statutes of 1985—Oil spills.			
3640-001-140—For support of Wildlife Conservation Board, for payment to Item 3640-001-447, payable from the California Environmental License Plate Fund			250,000
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund. Schedule:			589,000
(a) 100000-Personal Services		680,000	
(b) 300000-Operating Expenses and Equipment		401,000	
(c) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Public Resources Code Section 5907)		−242,000	
(d) Amount payable from California Environmental License Plate Fund		−250,000	
Provisions:			
1. The Wildlife Conservation Board shall acquire a 480 acre parcel at the Big Creek Reserve, to the extent permitted by law, from any of the funds appropriated to the board for capital outlay purposes.			
2. The Wildlife Conservation Board shall expend $300,000 from any of the funds appropriated to the board for capital outlay purposes for restoration of steelhead trout habitat at Malibu Creek.			
3. Of the amount appropriated in this item, $250,000 is for the purposes of Chapter 1571 of the Statutes of 1982.			
3640-301-235—For capital outlay, Wildlife Conservation Board, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund			6,100,000

Item		Amount
Schedule:		
(1) 80.10.131-Cosumnes River Preserve—Acquisition and restoration	1,500,000	
(2) 80.10.132-Deer habitat—Acquisition	3,000,000	
(3) 80.10.133-Waterfowl habitat-Acquisition	1,000,000	
(4) 80.10.134-Creighton Ranch Preserve-Acquisition	600,000	
Provisions:		
1. The funds in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.		
3640-301-447—For capital outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund, in lieu of the appropriation made by the Wildlife Conservation Law of 1947		1,429,000
Schedule:		
(1) 80.10.010-Minor Projects	480,000	
(2) 80.10.020-Project Planning	20,000	
(3) 80.10.030-Land Acquisitions	529,000	
(4) 80.30.040-Major Development	500,000	
(5) Reimbursements	−100,000	
Provisions:		
1. The funds appropriated in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.		
2. If the Department of Finance receives a request from the Wildlife Conservation Board to augment the amount appropriated in either category (2) or category (3) by transferring funds between these categories, the transfer shall not be approved any sooner than 30 days after the Department of Finance notifies the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of the department's intent to approve the transfer, or not sooner than such lesser time as may be specified by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.		

Item		Amount
FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM		
3640-301-748—For capital outlay, Wildlife Conservation Board, payable from the Fish and Wildlife Habitat Enhancement Fund		4,093,000
Schedule:		
(1) 80.10.110-Acquisition, Enhancement, or Development pursuant to Fish and Game Code Section 2620(a)(1)	93,000	
(2) 80.10.120-Acquisition, Enhancement, or Development pursuant to Fish and Game Code Section 2620(a)(2)	3,000,000	
(3) 80.10.140-Acquisition, Enhancement, or Development pursuant to Fish and Game Code Section 2620(d)	1,000,000	
Provisions:		
1. The funds in categories (1) through (3), inclusive, are provided pursuant to the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.		
2. The funds in categories (1) and (2) are for expenditure on lands located outside the coastal zone.		
3. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for projects appropriated from this fund may be loaned from the General Fund, upon approval of the Director of Finance, for deposit into the Fish and Wildlife Habitat Enhancement Fund.		
3640-301-787—For capital outlay, Wildlife Conservation Board, payable from the Wildlife and Natural Areas Conservation Fund		15,350,000
Schedule:		
(1) 80.10.100-Acquisition and development—ecological reserves	1,000,000	
(2) 80.10.150-Project Planning	350,000	
(3) 80.10.215-Acquisition, enhancement, restoration, or protection pursuant to Fish and Game Code Section 2720(a)	10,000,000	

Item		Amount
(4) 80.10.216-Acquisition, enhancement, restoration, or protection pursuant to Fish and Game Code Section 2720 (b)	3,000,000	
(5) 80.10.217-Acquisition, enhancement, restoration, or protection pursuant to Fish and Game Code Section 2720 (c)	1,000,000	
Provisions:		
1. The funds appropriated in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.		
2. The funds in category (2) are appropriated pursuant to Fish and Game Code Section 2728.		
3680-001-001—For support of Department of Boating and Waterways, for payment to Item 3680-001-516		269,000
3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		4,090,000
Schedule:		
(a) 100000-Personal Services	2,825,000	
(b) 300000-Operating Expenses and Equipment	1,529,000	
(c) Feasibility Determinations	20,000	
(d) Boating Safety Financial Assistance	850,000	
(e) Reimbursements	−15,000	
(f) Amount payable from the General Fund (Item 3680-001-001)	−269,000	
(g) Amount payable from the Federal Trust Fund (Item 3680-001-890)	−850,000	
3680-001-890—For support of Department of Boating and Waterways, for payment to Item 3680-001-516, payable from the Federal Trust Fund		850,000
3680-101-036—For local assistance, Department of Boating and Waterways, payable from the Special Account for Capital Outlay		2,250,000
Schedule:		
(a) San Francisco Seawall	1,000,000	
(b) San Francisco Fisherman's Wharf, Hyde Street Marina Project	1,250,000	

Item			Amount
3680-101-235—For local assistance, Department of Boating and Waterways, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund			3,592,000
Schedule:			
(a) Anaheim Bay Harbor, Orange Co.		817,000	
(b) Santa Cruz, West Cliff Drive, Santa Cruz Co.		2,250,000	
(c) Ventura-Pierpoint Beach, Ventura Co.		525,000	
3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			30,666,000
Schedule:			
(a) Launching facility grants		5,741,000	
1) Lake Barrett, San Diego Co.	631,000		
2) Barrett Cove No., Lake McClure, Mariposa Co.	365,000		
3) Berkeley Marina, Alameda Co.	400,000		
4) El Dorado, Lake Tahoe, El Dorado Co.	313,000		
5) Floating Restrooms, Statewide	150,000		
6) Forks Boat Launch Facility, Smith River, Del Norte Co.	272,000		
7) Gallatin Beach, Eagle Lake, Lassen Co.	600,000		
8) Kennedy Park, Napa River, Napa Co.	444,000		
9) Marina Del Rey, Los Angeles Co.	649,000		
10) Moss Landing Harbor, Monterey Co.	59,000		
11) Ramp Repairs, Extensions, etc., Statewide	150,000		

Item			Amount
12) Sandy Beach, Rio Vista, Solano Co....	230,000		
13) Shaver Lake, Fresno Co.....	400,000		
14) Sly Park, Jenkinson Lake, El Dorado Co.	242,000		
15) Stonebraker, Jenkinson Lake, El Dorado Co.....	95,000		
16) Suisun City, Solano Co.....	333,000		
17) West Point, Union Valley Res., El Dorado Co.	258,000		
18) Yuba City, Feather River, Sutter Co. .	150,000		
(b) Loans: Local Government		17,700,000	
1) Crescent City, Del Norte Co.	100,000		
2) Emergency Loans..	100,000		
3) Fisherman's Wharf, San Francisco Co..	3,000,000		
4) King Harbor, Redondo Beach, Los Angeles Co....	4,500,000		
5) Moss Landing, North Harbor, Monterey Co.	1,250,000		
6) Oyster Point, West Basin, San Mateo Co.....	550,000		
7) Statewide Planning Loans	100,000		
8) San Leandro Marina, Alameda Co..	3,000,000		
9) Santa Cruz Harbor, Santa Cruz Co.....	1,600,000		
10) Marina del Rey, Los Angeles Co.....	3,500,000		
(c) Boating safety and enforcement ..		3,225,000	
(d) Boating safety financial assistance..		850,000	
(e) Recreational Marina Loans—Private		4,000,000	
(f) Amount payable from the Federal Trust Fund (Item 3680-101-890) ...		−850,000	

Item Amount

Provisions:

1. The funds appropriated in category (a) are for grants to cities, counties, districts, or other public agencies pursuant to Sections 72.5 and 72.7 of the Harbors and Navigation Code to be used for construction and development of small craft launching facilities and floating restrooms.
2. The funds appropriated in category (b) are for loans to be made to cities, counties, or districts pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, Department of Boating and Waterways.
3. No funds appropriated in category (b) shall be expended unless and until all project permits from the appropriate state and federal agencies are received, except for those funds that are necessary to obtain project permits.
4. No funds appropriated in categories (a) and (b) shall be encumbered or expended unless and until an environmental impact report is completed and approved for the project.
5. The funds appropriated in category (c) are for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.
6. The funds appropriated in category (d) for Boating Safety Financial Assistance shall be expended in accordance with federal law.
7. The funds appropriated in category (e) are for private recreational marinas pursuant to Section 76.3 of the Harbors and Navigation Code.
8. The funds appropriated in category (b) (2) are to provide for repairs of damage caused by emergency conditions, including, but not limited to, tidal waves or severe storms, at small craft harbor facilities constructed pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code. These repairs may be authorized by the Director of Boating and Waterways.

3680-101-890—For local assistance, Department of Boating and Waterways, for payment to Item 3680-101-516, payable from the Federal Trust Fund 850,000

Provisions:

1. Funds appropriated by this item shall be for grants to local governments for boating safety and law enforcement, 15 percent of which shall be allocated according to the department's dis-

Item		Amount
cretion, and 85 percent of which shall be allocated by the department in accordance with the following priorities: First—To local governments eligible for state aid because they are spending all their local boating revenue on boating enforcement and safety, but are not receiving sufficient state funds to meet their calculated need as defined in Section 663.7 of the Harbors and Navigation Code. Second—To local governments that are not spending all local boating revenue on boating enforcement and safety, and whose boating revenue does not equal their calculated need. Local assistance shall not exceed the difference between the calculated need and local boating revenue. Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.		
3680-121-890—For local assistance, Department of Boating and Waterways, for transfer to the Harbors and Watercraft Revolving Fund, payable from the Federal Trust Fund		3,400,000
Provisions: 1. Notwithstanding Section 28.00, any amount in excess of the amount appropriated in Item 3680-121-890, received for reimbursement of local assistance projects that commenced and were completed in prior years, shall be transferred to the Harbors and Watercraft Revolving Fund.		
3680-301-516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		1,220,000
Schedule: (1) 50.99.010-Project Planning	20,000	
(2) 50.99.020-Minor projects	1,200,000	
3720-001-001—For support of California Coastal Commission		6,469,000
Schedule: (a) 10-Coastal Management Program	8,823,000	
(b) 20-Coastal Energy Program	434,000	
(c) 30.01-Administration	999,000	
(d) 30.02-Distributed Administration	−959,000	
(e) Reimbursements	−40,000	

Item		Amount
(f) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140)	−418,000	
(g) Amount payable from the Federal Trust Fund (Item 3720-001-890)	−2,370,000	

Provisions:

1. The commission shall, to the extent legally possible, utilize categorical exclusions, permit exemptions, and administrative permits authorized by Division 20 (commencing with Section 30000) of the Public Resources Code to reduce the commission's regulatory workload and to achieve overall cost savings to the state.
2. The commission shall, to the extent resources are available, undertake efforts to expedite the transfer to local governments of coastal development permit authority pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code by providing training and any other assistance it deems appropriate to assist local governments in the assumption of this coastal permit responsibility.

3720-001-140—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the California Environmental License Plate Fund 418,000

3720-001-890—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the Federal Trust Fund 2,370,000

3720-101-890—For local assistance, California Coastal Commission, Program 10—Coastal Management Program, payable from the Federal Trust Fund 300,000

3760-001-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1976 500,000

Schedule:

(a) 100000-Personal Services	2,255,000	
(b) 300000-Operating Expenses and Equipment	754,000	
(c) 454632-Preproject feasibility planning	961,000	
(d) Reimbursements	−706,000	
(e) Amount payable from the Fish and Wildlife Habitat Enhancement Fund (Item 3760-001-748)	−250,000	

Item		Amount
(f) Amount payable from the Parklands Bond Act of 1980 (Item 3760-001-721)	−169,000	
(g) Amount payable from the California Wildlife, Coastal , and Park Land Conservation Fund of 1988 (Item 3760-001-786)	−1,219,000	
(h) Amount payable from the California Wildlife, Coastal , and Park Land Conservation Fund of 1988 (Public Resources Code Section 5907)	−1,126,000	
3760-001-721—For support of State Coastal Conservancy, for payment to Item 3760-001-565, payable from the Parklands Bond Act of 1980		169,000

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3760-001-748—For support of State Coastal Conservancy, for payment to Item 3760-001-565, payable from the Fish and Wildlife Habitat Enhancement Fund 250,000

Provisions:

1. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for state operations appropriated from this fund may be loaned from the General Fund, upon approval by the Director of Finance, for deposit into the Fish and Wildlife Habitat Enhancement Fund.

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3760-001-786—For support of State Coastal Conservancy, for payment to Item 3760-001-565, payable from the California Wildlife, Coastal , and Park Land Conservation Fund of 1988 1,219,000

3760-301-140—For capital outlay, State Coastal Conservancy, for loan repayment to the California Wildlife, Coastal, and Park Land Conservation Fund of 1988, payable from the California Environmental License Plate Fund ..... (1,500,000)

Provisions:

1. This item appropriates funds in accordance with Chapter 304, Statutes of 1988.

Item		Amount
STATE COASTAL CONSERVANCY		
3760-301-235—For capital outlay, State Coastal Conservancy, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		475,000
Schedule:		
(1) 80.99.004-Petaluma River-Enhancement	100,000	
(2) 80.99.003—Mission Bay-Restoration-design	375,000	
Provisions:		
1. The funds provided in this item for support of category (2) shall not be expended until the conservancy ascertains that the funds shall be matched, during the 1989–90 fiscal year, by at least $375,000 in nonstate funds for the specific authorized projects.		
3760-301-730—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1984		2,500,000
Schedule:		
(1) 80.18.060—Urban Waterfront Restoration	2,500,000	
Provisions:		
1. The conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:		
a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the conservancy and the State Public Works Board.		
b. A state leasehold interest in property acquired by a nonstate public agency with conservancy grant funds, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.		
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.		

Item Amount

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3760-301-748—For capital outlay, State Coastal Conservancy, payable from the Fish and Wildlife Habitat Enhancement Fund 3,500,000

Schedule:

(1) 80.19.040-Resource Enhancement. 3,500,000

Provisions:

1. The conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:
   a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the conservancy and the State Public Works Board.
   b. A state leasehold interest in property acquired by a nonstate public agency with conservancy grant funds, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.
3. An amount not to exceed the amount of unsold bonds or notes which has been authorized to be sold by the Wildlife Habitat Enhancement Program Finance Committee for projects appropriated from the Fish and Wildlife Habitat Enhancement Fund may be loaned from the General Fund, upon approval of the Director of Finance, for deposit into the Fish and Wildlife Habitat Enhancement Fund.

3760-302-140—For capital outlay, State Coastal Conservancy, for transfer by the State Controller from the California Environmental License Plate Fund to the California Wildlife, Coastal, and Park Land Conservation Fund of 1988, to pay interest for full repayment of a loan provided in Chapter 304, Statutes of 1988 117,000

Item		Amount
3760-303-140—For capital outlay, State Coastal Conservancy, payable from the California Environmental License Plate Fund		15,000
Schedule:		
(1) 80.14.052-Fishing fleet exhibit expansion	15,000	

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3760-303-786—For capital outlay, State Coastal Conservancy, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988		8,750,000
Schedule:		
(1) 80.18.010-Agricultural Land Preservation	750,000	
(2) 80.18.020-Coastal Restoration	3,000,000	
(3) 80.18.030-Public Access	3,000,000	
(4) 80.19.040-Resource Enhancement.	2,000,000	

Provisions:

1. The conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:
   a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the conservancy and the State Public Works Board.
   b. A state leasehold interest in property acquired by a nonstate public agency with conservancy grant funds, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
2. Notwithstanding Section 6.50 of this act, the conservancy may transfer funds between programs in categories (1) through (3) , inclusive. The conservancy shall provide quarterly reports to the chairperson of the committee of each house which considers appropriations, and to the Joint Legislative Budget Committee. The report shall summarize the conservancy's actions with a comparison of the amounts scheduled in catego-

Item		Amount
	ries (1) through (3), inclusive, the amounts allocated by the conservancy, and an explanation of any difference between the scheduled and allocated amounts.	
	3. The amount appropriated in category (4) is available for expenditure for either capital outlay or local assistance.	
3790-001-001—For support of Department of Parks and Recreation		83,344,000
Schedule:		
(a) 100000-Personal Services	108,457,000	
(b) 300000-Operating Expenses and Equipment	50,010,000	
(c) 400001-Special Item of Expense—Rehabilitation of Camping Facilities	300,000	
(d) Reimbursements	−4,927,000	
(dx) Amount payable from Special Account for Capital Outlay (Item 3790-001-036)	−3,010,000	
(dy) Amount payable from the Environmental License Plate Fund (Item 3790-001-140)	−20,000	
(e) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-235)	−587,000	
(f) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263)	−8,915,000	
(g) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392)	−48,148,000	
(h) Amount payable from the State Parks and Recreation Fund, Fines and Forfeitures Account (Item 3790-001-394)	−350,000	
(i) Amount payable from the Winter Recreation Fund (Item 3790-001-449)	−88,000	
(j) Amount payable from the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account (Item 3790-001-463)	−400,000	
(k) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3769-001-516)	−349,000	

Item		Amount
(*l*)	Amount payable from the Community Parklands Fund (Item 3790-001-716)	−100,000
(m)	Amount payable from the Parklands Fund of 1980 (Item 3790-001-721)	−904,000
(n)	Amount payable from the Parklands Fund of 1984 (Item 3790-001-722)	−4,231,000
(o)	Amount payable from the State, Urban and Coastal Park Fund (Item 3790-001-742)	−800,000
(p)	Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3790-001-786)	−639,000
(q)	Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (PRC Sections 5907(b)(1) and (3))	−220,000
(r)	Amount payable from the Federal Trust Fund (Item 3790-001-890)	−1,735,000

Provisions:

1. Notwithstanding any other provisions of law, the Department of Parks and Recreation, or the City of Santa Monica acting on behalf of the department, shall not require the current concessionaire located at 415 Pacific Coast Highway to vacate the property until all zoning and other required permits have been obtained for converting the property to a new use in accordance with the final agreement between the City of Santa Monica, the State Department of Parks and Recreation, and the new concessionaire chosen to operate the new use.

   The current concessionaire shall pay rent of $20,833 per month and shall be prepared to immediately vacate the property when final zoning and other permits are obtained to avoid delays in constructing new facilities.

   As consideration for remaining past January 1, 1989, the current concessionaire and the membership association shall waive any and all rights to contest the granting of any zoning or other permits involved in any proposed development.

Item	Amount
3790-001-036—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Special Account for Capital Outlay	3,010,000
3790-001-140—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the California Environmental License Plate Fund	20,000
3790-001-235—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	587,000
Provisions: 1. Notwithstanding any other provision of law, the Department of Parks and Recreation may expend up to $50,000 of this item for a feasibility study to be performed by the Department of Parks and Recreation for the acquisition, development, and restoration, with the possible participation of private entities, of the Town of Locke in Sacramento County.	
3790-001-263—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Off-Highway Vehicle Fund	8,915,000
3790-001-392—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State Parks and Recreation Fund	48,148,000
3790-001-394—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State Parks and Recreation Fund, Fines and Forfeitures Account	350,000
3790-001-449—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Winter Recreation Fund	88,000
3790-001-463—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account	400,000
3790-001-516—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Harbors and Watercraft Revolving Fund	349,000
Provisions: 1. The funds appropriated in this item are pursuant to subdivision (d) of Section 663.7 of the Harbors and Navigation Code, Harbors and Watercraft Revolving Fund.	

Item	Amount
3790-001-716—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Community Parklands Fund	100,000
3790-001-721—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Parklands Fund of 1980	904,000
3790-001-722—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Parklands Fund of 1984	4,231,000
3790-001-742—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State, Urban and Coastal Park Fund.	800,000
3790-001-786—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from California Wildlife, Coastal, and Park Land Conservation Fund of 1988, Public Resources Code Section 5907(a) and (b)(2)	639,000
Provisions:	
1. Of the amount appropriated by this item, $350,000 shall be available to the Department of Parks and Recreation for administrative costs for the local assistance grant programs specified in subdivision (a) of Section 5907 of the Public Resources Code.	
2. Of the amount appropriated by this item, $170,000 shall be available to the Department of Parks and Recreation for administrative costs for the capital outlay programs specified in subdivision (b)(2) of Section 5907 of the Public Resources Code.	
3790-001-890—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Federal Trust Fund	1,735,000
3790-011-062—For support of Department of Parks and Recreation, for transfer by the State Controller to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code, for expenditure by the department for maintenance and repair of highways in units of the state park system, payable from the Highway Users Tax Account, Transportation Tax Fund	(1,500,000)
3790-101-036—For local assistance, Department of Parks and Recreation, payable from the Special Account for Capital Outlay	5,371,000

Item		Amount
Schedule:		
(6) 50.20.036.906-Fresno County Economic Opportunities Commission (nonprofit)-Black Historical and Cultural Museum		130,000
(8) 50.20.036.908-California Academy of Sciences in San Francisco		1,000,000
(9) 50.20.036.909-City of Redding-Museum Complex-Turtle Bay		73,000
(11) 50.20.036.911-City of Ventura-Larrabee Stadium Field lighting.		150,000
(12) 50.20.036.912-Northern California Center for Afro-American History and Life Nonprofit Organization		250,000
(13) 50.20.036.913-City of Riverside-Loring Opera House-Rehabilitation		364,000
(14) 50.20.036.914-City of Huntington Beach-Pier restoration		1,500,000
(15) 50.20.036.915-Mercy Family Housing-California-Historical		331,000
(17) 50.20.036.917-City of Lakewood-Mayfair Park		225,000
(18) 50.20.036.918-San Diego Railway Association-California Southern Railroad Depot		550,000
(19) 50.20.036.919-City of Los Angeles-Eagle Rock Library		250,000
(20) 50.20.036.920-City of Redding-Sacramento River Pedestrian Trail Bridge		140,000
(21) 50.20.036.921-El Dorado Hills Community Services District-Park Complex-Phase I		400,000
(23) 50.20.036.923-El Dorado Hills Community Service District-Tennis Court Resurface		8,000
Provisions:		
1. No funds appropriated in category (18) for a local assistance grant to the San Diego Electric Railway Association shall be encumbered unless and until the Director of Parks and Recreation determines that the association has committed at least $550,000 of nonstate funds to the acquisition of the California Southern Railroad Terminus Depot in National City.		

Item		Amount
3790-101-140—For local assistance, Department of Parks and Recreation, payable from the California Environmental License Plate Fund		505,000
Schedule:		
(1) 50.20.140.901—California State Parks Foundation, Jack London Ranch—restoration—construction	50,000	
(2) 50.20.140.902—Museum of Science and Industry Foundation, Our Urban Environment exhibit—construction	250,000	
(3) 50.20.140.903-Youth Science Institute, Los Gatos Discovery Center-renovation and development	150,000	
(4) 50.20.140.905-City of Santa Barbara, Santa Barbara Zoological Gardens	55,000	
3790-101-236—For local assistance, Department of Parks and Recreation, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund		1,500,000
Schedule:		
(6) 50.20.236.906-City of San Jose-Guadulupe River Parkway	500,000	
(7) 50.20.236.907-Sacramento County-California Multi-Cultural Park	1,000,000	
3790-101-263—For grants to cities, counties, or special districts, and for cooperative agreements with federal agencies, as specified in Division 5 (commencing with Section 5001) of the Public Resources Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund, to be available for expenditure during the 1989–90, 1990–91 and 1991–92 fiscal years		9,538,000
Schedule:		
BLM-Bakersfield District		
(1) 35.03.004-Clear Creek Planning	94,000	
(2) 35.03.005-Clear Creek Acquisition II	308,000	
(3) 35.03.006-Hollister RA O&M-1990.	76,000	
BLM-California Desert District		
(4) 35.06.024-Barstow Open Area O&M-1990	150,000	
(5) 35.06.025-El Mirage O&M-1990	353,000	
(6) 35.06.026-El Mirage Acquisition	1,067,000	

Item	Amount
(7) 35.06.027-El Mirage Development	180,000
(8) 35.06.028-Dry Lake Archaeological Mitigation	43,000
(9) 35.06.029-Gecko Road Facility Development	178,000
(10) 35.06.030-El Centro RA O&M-1990	671,000
(11) 35.06.031-Ridgecrest RA O&M-1990	150,000
(12) 35.06.032-CD Motorized Trail System I	144,000
BLM-Susanville District	
(13) 35.09.001-Eagle Lake RA O&M-1990	56,000
BLM-Ukiah District	
(14) 35.12.007-Clear Lake RA O&M-1990	174,000
(15) 35.12.008-Redding RA O&M-1990	64,000
(16) 35.12.009-Arcata RA O&M-1990	61,000
USFS-Angeles National Forest	
(17) 35.15.013-Angeles NF O&M-1990	123,000
(18) 35.15.014-Valyermo Resource Protection	51,000
USFS-Cleveland National Forest	
(19) 35.18.007-Cleveland NF O&M-1990	77,000
(20) 35.18.008-Corral Rehabilitation	16,000
USFS-El Dorado National Forest	
(21) 35.21.008-Eldorado NF O&M-1990	148,000
USFS-Inyo National Forest	
(22) 35.24.008-Inyo NF O&M-1990	105,000
(23) 35.24.009-HWY 395 Snowmobile Undercrossing	266,000
USFS-Klamath National Forest	
(24) 35.27.012-Klamath NF O&M-1990	23,000
(25) 35.27.013-Medicine Lake Link Snowshelter	20,000
USFS-Lassen National Forest	
(26) 35.33.008-Lassen NF O&M-1990	150,000
USFS-Los Padres National Forest	
(27) 35.36.013-Los Padres NF O&M-1990	184,000

Item	Amount
(28) 35.36.014-Santa Barbara Resources-1990	20,000
(29) 35.36.015-Ballinger/Deer Park Archaeology	25,000
(30) 35.36.016-Navajo Flat Toilet	21,000
USFS-Mendocino National Forest	
(31) 35.39.009-Mendocino NF O&M-1990	223,000
USFS-Modoc National Forest	
(32) 35.40.001-Doorknob OHV Trailhead	101,000
USFS-Plumas National Forest	
(33) 35.42.007-Plumas NF O&M-1990.	134,000
(34) 35.42.008-Plumas Snow Cat	84,000
(35) 35.42.009-Merrimac Snowmobile Park	11,000
(36) 35.42.010-Cleghorn Bar 4X4 Trail	84,000
(37) 35.42.011-La Porte—Phase II	65,000
USFS-San Bernardino National Forest	
(38) 35.45.008-San Bernardino NF O&M-1990	84,000
(39) 35.45.009-San Bernardino Trail Construction	120,000
(40) 35.45.010-San Bernardino EA	19,000
(41) 35.45.011-San Bernardino Resource Management	10,000
USFS-Sequoia National Forest	
(42) 35.48.009-Sequoia NF O&M-1990	99,000
(43) 35.48.010-Kern Plateau Trails Development	373,000
(44) 35.48.011-Kern Plateau Snowmobile Program	10,000
USFS-Sierra National Forest	
(45) 35.51.004-Pineridge Winter Trail Grooming	86,000
(46) 35.51.005-Miami Motorcycle Trails II	55,000
USFS-Six Rivers National Forest	
(47) 35.52.001-Six Rivers OHV Plan	44,000
USFS-Stanislaus National Forest	
(48) 35.54.003-Stanislaus NF O&M-1990	98,000
(49) 35.54.004-Corral Hollow Development	172,000

Item	Amount
(50) 35.54.005-Highway 108 Development	182,000
USFS-Tahoe National Forest	
(51) 35.57.007-Tahoe NF O&M-1990...	166,000
USFS-Toiyabe National Forest	
(52) 35.60.005-Toiyabe OHV Planning	77,000
(53) 35.60.006-Hope Valley O&M-1990	15,000
(54) 35.60.007-Blue Lakes Road O&M-1990	35,000
(55) 35.60.008-Carson RD OHV Planning	50,000
NPS-Death Valley Forest	
(56) 35.64.001-Trail Canyon Road Reconstruction	27,000
Humboldt County	
(57) 35.67.001-Beach and Dunes Management Plan	80,000
(58) 35.67.002-Humboldt County O&M	66,000
Mendocino County	
(59) 35.68.001-Mill Creek County Road	30,000
San Luis Obispo County	
(60) 35.71.001-Pier Ave. Access Improvements	1,076,000
North Tahoe P.U.D.	
(61) 35.76.002-OHV O&M Program ...	100,000
San Bernardino County	
(62) 35.79.003-Park Moabi O&M	10,000
Stanislaus County	
(63) 35.81.005-Stanislaus County O&M	69,000
San Benito County	
(64) 35.83.001-Clear Creek County Road	185,000
Statewide	
(65) 35.84.005-Safety Grants Program	300,000
(66) 35.84.006-Local Liability Insurance	200,000

Provisions:

1. Prior to the transfer of any funds under category (21) for the Mace Mill-Rock Creek OHV Park, the Department of Parks and Recreation shall fully comply with the California Environmental

Item		Amount
Quality Act, including, but not limited to, the completion of an adequate environmental impact report.		
COMMUNITY PARKLANDS PROGRAM		
3790-101-716—For local assistance, Department of Parks and Recreation, payable from the Community Parklands Fund to be available for expenditure during the 1989–90, 1990–91 and 1991–92 fiscal years		6,567,000
Schedule:		
(1) 50.20.716-Local Agency Grants	6,567,000	
PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM		
3790-101-721—For local assistance, Department of Parks and Recreation, payable from the Parklands Fund of 1980		1,120,000
Schedule:		
(1) 50.20.721.901-City of Clayton, Clayton Parks	20,000	
(2) 50.20.721.902-City of Hercules, Hercules Parks	20,000	
(3) 50.20.721.903-Caruthers CSD, Caruthers Parks	20,000	
(4) 50.20.721.904-City of Maywood, Maywood Parks	34,000	
(5) 50.20.721.905-City of Costa Mesa, Costa Mesa Parks	302,000	
(6) 50.20.721.906-City of Fullerton, Fullerton Parks	23,000	
(7) 50.20.721.907-City of Santa Ana, Santa Ana Zoo	382,000	
(8) 50.20.721.908-Town of Los Altos Hills, Los Altos Hills Park	20,000	
(9) 50.20.721.909-City of Los Gatos, Los Gatos Parks	66,000	
(10) 50.20.721.910-City of Milpitas, Milpitas Parks	83,000	
(11) 50.20.721.911-City of Monte Sereno, Monte Sereno Parks	20,000	
(12) 50.20.721.912-Rancho Rinconada RPD, Rancho Rinconada Parks	20,000	
(13) 50.20.721.913-Cazadero CSI, Cazadero Parks	20,000	

Item		Amount
(14) 50.20.721.914—City of Lemon Grove, Lemon Grove Park	90,000	

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3790-101-786—For local assistance, Department of Parks and Recreation, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988		123,042,000
Schedule:		
(1) 25.30.786.500—Historical and Archeological Program grants.....	10,835,000	
(2) 50.20.786.200—Per Capita grants..	85,406,000	
(3) 50.20.786.300—Roberti-Z'berg-Harris Urban Open-Space and Recreation Program grants	19,700,000	
(4) 50.20.786.400—Park and Recreation Opportunity grants	4,462,000	
(5) 50.20.786.600—Trails Program grants.....	2,463,000	
(11) 50.20.786.707—Apple Valley Recreation and Park District-Papago Park Development Project	176,000	
Provisions:		
1. Notwithstanding Section 14 of the Public Resources Code, or any other provision of law, the City and County of San Francisco shall be considered both a city and a county by the Department of Parks and Recreation in the allocation of funds pursuant to paragraph (1) of subdivision (a) of Section 5907 of the Public Resources Code.		
2. The amount in category (11) of this item is for a per capita grant and shall be subject to the same requirements as per capita grants within category (2).		
3790-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1989–90, 1990–91 and 1991–92 fiscal years.....		2,215,000
Schedule:		
(1) 50.20.890-Land and Water Conservation Fund Act of 1965.....	2,000,000	
(2) 25.30.891-National Historic Preservation Act of 1966	215,000	

Item		Amount
3790-102-235—For local assistance, Department of Parks and Recreation, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		8,622,000
Schedule:		
(1) 50.20.235.902—City of Riverside, Sycamore Canyon Park—acquisition	800,000	
(2) 50.20.235.904—City of San Jose, Los Alamitos/Calero Creek Park Chain	340,000	
(3) 50.20.235.905—City of Clovis, Gettysburg Park	283,000	
(4) 50.20.235.906—City of Clovis, Dry Creek/Enterprise Canal Trail	50,000	
(5) 50.20.235.907—City of Clovis, Sierra-Temperance Park	175,000	
(6) 50.20.235.908—City of Reedley, Senior Adult Activity Room	151,000	
(7) 50.20.235.909—City of Reedley, Columbia Park	148,000	
(8) 50.20.235.910—City of Clovis, Sierra Bicentennial Park	200,000	
(12) 50.20.235.914—City of Desert Hot Springs, Wardman Park Rehabilitation	150,000	
(13) 50.20.235.915—City of Perris, Bob Long Park Rehabilitation	125,000	
(14) 50.20.235.916—City of Norwalk, Cultural Arts Building	100,000	
(15) 50.20.235.917—City of Downey, Swimming Pool Completion	200,000	
(16) 50.20.235.918—City of Norwalk, Sports Center Construction	2,000,000	
(17) 50.20.235.919—Downtown Development Association (Nonprofit) Santa Rosa Creek Planning/Restoration	50,000	
(18) 50.20.235.920—Association of Bay Area Governments, San Francisco Bay Trail	1,000,000	
(19) 50.20.235.921—City of Half Moon Bay, Coastside Park master plan.	300,000	
(20) 50.20.235.922—City of Bellflower, City Park Development	230,000	

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(21) 50.20.235.923—City of Goleta, Multipurpose Youth Recreation Center		500,000
(22) 50.20.235.924—City of Pasadena, Villa-Parke Center		500,000
(23) 50.20.235.925—Grover City, Ramona Gardens Park/Center		20,000
(24) 50.20.235.926—City of Los Angeles, Hansen Dam		500,000
(25) 50.20.235.927—Sacramento County, Stone Lake Wildlife Preserve		500,000
(26) 50.20.235.928—Los Encinos Docent Association, Los Encinos State Historic Park Project		300,000

Provisions:

1. The funds appropriated in category (18) of this item shall be available to the Association of Bay Area Governments only for locally approved projects that contribute to the completion of the San Francisco Bay Area Trail plan, as developed pursuant to Section 5850 of the Public Resources Code. No funds shall be allocated by the association for a specific approved project unless and until local matching funds have been committed for that project.
2. No funds appropriated in category (20) for a local assistance grant to the City of Bellflower shall be encumbered unless and until the Director of Parks and Recreation determines that the city has acquired the 1.77-acre parcel that is to be developed as a city park with the funds in this category.
3. Of the amount appropriated in category (25) of this item, $500,000 is for a grant to the County of Sacramento to initiate and coordinate an interagency cooperative program for the planning, restoration, development, and expansion of a wildlife refuge in south Sacramento County, an area of wetlands that is nationally recognized for its environmental significance.

   The interagency cooperative program shall have all of the following goals:

   (a) Accelerated planning for the management and restoration of property already in public ownership.
   (b) Identification of environmentally sensitive

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parcels that are appropriate for public acquisition.

(c) Encouragement and coordination of private contributions and the use of volunteers.

(d) Identification of ways to cut government costs through joint management of refuge properties in the area.

(e) Analysis and demonstration of the use of treated effluent as a refuge water source.

4. The funds appropriated in this item under category (26) shall be allocated to the Los Encinos Docent Association for purposes involving the acquisition, lease, and development of property for Los Encinos State Historic Park. Control and ownership of any property so acquired, and control of any property so leased, shall remain with the State. Any funds that may be provided for purposes of this project in the future shall be allocated to the Department of Parks and Recreation.

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974

3790-102-733—For local assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974 2,800,000

Schedule:

(1) 25.30.733.901-City of Fresno-Agricultural Museum 2,750,000

(2) 25.30.733.902-City of Fillmore-Shiells Park lighting 50,000

Provisions:

1. None of the funds appropriated in this item shall be allocated to the City of Fresno unless and until the following conditions are met:

(a) The City of Fresno causes to be prepared a planning report which defines the scope of the agricultural museum project. This report shall include programs of acquisition, development, interpretation, operation, and maintenance, projected dates for implementation, and a financing plan which shall demonstrate that sufficient funds are available to complete an operational museum facility.

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	(b) Within 90 days of receipt of the report set forth in paragraph (a), the Director of Parks and Recreation reviews and approves the report.	
	2. Funds allocated to the City of Fresno pursuant to this item shall be expended only for local assistance purposes for planning, acquisition, and construction of the Agricultural Museum. Not more than 5 percent of the funds allocated to the City of Fresno pursuant to this item may be expended for administrative costs.	
	3. If funds are allocated to the City of Fresno pursuant to this item, the City of Fresno shall, on or before July 1, 1990, submit a report to the chairpersons of the legislative fiscal committees and the Director of Parks and Recreation on the status of the Agricultural Museum project and the use of the funds allocated therefor.	
	4. Notwithstanding any other provision of law, the funds appropriated by this item are available for expenditure until June 30, 1991.	
	5. Up to $50,000 of the funds appropriated in this item shall be used for a local assistance grant to the City of Fillmore for Shiells Park Baseball Field lighting.	
3790-301-036—For capital outlay, Department of Parks and Recreation, payable from the Special Account for Capital Outlay		1,500,000
Schedule:		
(1) 90.FU.105-California Citrus State Historic Park: Immediate Public Use Facilities-Preliminary Plans, Working Drawings, and Construction	500,000	
(2) 90.EB.105-Ventura Pier—Rehabilitation	1,000,000	
3790-301-235—For capital outlay, Department of Parks and Recreation, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		8,837,000
Schedule:		
(1) 90.EB.100-San Buenaventura SB: Groin #1, Repair/Renovation—Construction	155,000	
(2) 90.RS.125-Statewide: Sand Replenishment—Construction	437,000	

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(3) 90.RS.205-Statewide: Minor Projects	3,770,000	
(4) 90.CO.400-Wilder Ranch SP—Gray Whale Ranch—Acquisition	2,195,000	
(5) 90.FU.105-California Citrus State Historic Park-Immediate Public Use Facilities—Preliminary plans, working drawings, and construction	500,000	
(6) 90.H4.110-Mt. San Jacinto State Park-Trainway Station—Stabilize Foundation	60,000	
(7) 90.6X.501-Napa-Solano Skyline Project: Acquisition	820,000	
(8) 90.8D.400-Donner Memorial SP: Expansion	900,000	

Provisions:

1. It is the intent of the Legislature that the Department of Boating and Waterways be the lead agency for the projects for which funds are appropriated in categories (1) and (2). Notwithstanding Section 13332.11 of the Government Code, preliminary plans for the projects for which funds are appropriated in categories (1) and (2) of this item shall not be subject to approval by the State Public Works Board.

3790-301-236—For capital outlay, Department of Parks and Recreation, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund 4,255,000

Schedule:

(2) 90.4C.400-Pt. Cabrillo—Acquisition	2,255,000
(3) 90.CO.400-Henry W. Coe SP: Redfern Property—Acquisition	2,000,000

3790-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund 7,337,000

Schedule:

(1) 90.7K.105-Carnegie SVRA: Initial Development-Construction	1,830,000
(2) 90.6S.405-Hollister Hills SVRA: Hudner Property-Acquisition	2,435,000
(3) 90.6S.406-Hollister Hills SVRA: Taylor Property-Acquisition	1,070,000

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(3.5) 90.EH.106-Hungry Valley SVRA: Quail Canyon OHV Fair-Preliminary plans, working drawings, and preliminary site preparation.	800,000	
(4) 90.RS.605-Statewide: Budget Package/Schematic Planning.....	50,000	
(5) 90.RS.206-Statewide: Minor Projects.....	1,102,000	
(6) 90.RS.404-Statewide: Pre-Budget Appraisal Costs—Acquisition.....	50,000	
3790-301-392—For capital outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund.....		755,000
Schedule:		
(1) 90.RS.225-Statewide: Retrofit Visitor Services Facilities-Minor Projects.....	95,000	
(2) 90.AC.605-Old Sacramento SHP: Museum of Railroad Technology-preliminary plans and agency retained items.....	660,000	

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

3790-301-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980.....		5,727,000
Schedule:		
(1) 90.D6.105-Lighthouse Field SB: Phase I Completion—Working drawings and construction.....	349,000	
(2) 90.5X.105—Marconi Property-Construction and site improvements.....	425,000	
(4) 90.E.B.105—Ventura Pier-Rehabilitation.....	1,000,000	
(5) 90.CS.401-South Monterey Bay Dunes, Del Monte Dunes, Ponderosa Property-Acquisition.....	2,273,000	
(6) 90.CS.402-Monterey SB: Sand City-Acquisition.....	1,680,000	
Provisions:		
1. It is the intent of the Legislature that the City of Santa Cruz be the lead agency for the project for which funds are appropriated in category (1). Therefore, notwithstanding Section		

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	13332.11 of the Government Code, preliminary plans for the project for which funds are appropriated in category (1) of this item shall not be subject to approval by the State Public Works Board.	
	2. The department may allocate the funds in category (2) to a nonprofit entity for improvements to the Marconi Conference Center, provided the department secures an irrevocable commitment from the present owner to transfer the property to the state by June 30, 1990. Expenditure of funds in category (2) when allocated to a nonprofit entity shall be exempt from Public Works Board Review.	
	3. Up to $300,000 of the amount appropriated in category (6) may be used for the purchase of coastal parcels located in the sand dunes west of State Highway Route 1 in the Sand City area of South Monterey Bay Dunes.	
	PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM OF 1984	
3790-301-722—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1984		10,034,000
Schedule:		
(1) 90.6F.110-Angel Island SP: East Garrison—Visitor Improvements—Minor Project	102,000	
(2) 90.6F.115-Angel Island SP: Water System Connection—Preliminary plans, working drawings, and construction	616,000	
(3) 90.3V.105-Bidwell Mansion SHP: Visitor Center—Construction	1,067,000	
(4) 90.6O.405-Bothe-Napa Valley SP: Wright Property—Acquisition	600,000	
(5) 90.FU.605-California Citrus SHP: Schematic Planning and Artifact Acquisition	225,000	
(6) 90.5M.605-China Camp SP: Rehabilitation and development of Day Use Facilities—Preliminary plans and working drawings	116,000	
(6.5) 90.C0.400-Henry W. Coe SP: Redfern property—Acquisition	1,800,000	

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(7) 90.F0.105-Leo Carrillo SB: Rehabilitate and Replace Worn-Out Facilities—Construction 921,000
(8) 90.G5.105-Pyramid Lake SRA: Liebre Peninsula/Vista del Lago—Construction 2,391,000
(9) 90.EN.105-Refugio SB: Rehabilitation and Replacement of Worn-Out Facilities—Construction 1,349,000
(10.5) 90.94.601-Stanford House SHP: Historic Preservation—Preliminary plans and working drawings 495,000
(11) 90.RS.605-Statewide: Budget Package/Schematic Planning 150,000
(12) 90.RS.230-Statewide: Natural Heritage Stewardship Program—Minor Projects 202,000

Provisions:

1. The amount appropriated in category (8) of this item shall be available for transfer to the Department of Water Resources, to be used for the contribution from the Department of Parks and Recreation toward the completion of the appropriated construction project at Pyramid Lake SRA.
2. Funds appropriated in category (12) of this item shall be available for expenditure until June 30, 1992.

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3790-301-786—For capital outlay, Department of Parks and Recreation, payable from the California Wildlife, Coastal, and Park Land Fund of 1988 16,465,000

Schedule:

(1) 90.RS.220-Statewide: Storm Damage Repair-Minor Projects..... 585,000
(2) 90.RS.235-Statewide: Volunteer Program-Minor Projects..... 1,000,000
(3) 90.RS.401-Statewide: Acquisition Costs—Acquisition..... 200,000
(4) 90.RS.402-Statewide: Inholding Purchases—Acquisition 500,000
(5) 90.RS.403-Statewide: Opportunity Purchases—Acquisition 500,000

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(6)	90.RS.404-Statewide: Pre-Budget Appraisal Costs—Acquisition.....	100,000
(7)	90.RS.605-Statewide: Budget Package/Schematic Planning.....	200,000
(8)	90.RS.610-Statewide: Topographic Surveys—Planning	200,000
(9)	90.RS.210-Statewide: Accessibility Expansion Program—Minor Projects.....	200,000
(10)	90.RS.230-Statewide: Natural Heritage Stewardship Program —Minor Projects.....	1,949,000
(11)	90.8Y.400-Grover Hot Springs SP —Acquisition.....	395,000
(12)	90.DQ.110-Hearst San Simeon SHM, Additional Water Storage —Construction and Agency Retained Items.....	1,179,000
(13)	90.3B.105-Humboldt Redwoods SP—Bank Protection, Construction	257,000
(14)	90.EC.101-Kenneth Hahn SRA—Preliminary Plans, Working Drawings, and Construction..	3,510,000
(15)	90.8L.105-New State Indian Museum—Preliminary Plans, Working Drawings, and Construction..	1,000,000
(16)	90.IJ.400-Old Town San Diego SHP—Bohannon Pottery Village —Acquisition.....	2,733,000
(17)	90.CG.105-Pfeiffer Big Sur SP, Multiagency Facility, Phase II —Construction	716,000
(18)	90.CI.100-Santa Cruz Mission SHP—Neary-Rodriguez Adobe Reconstruction—Construction.....	1,035,000
(19)	90.RS.115-Sno-Park Program-Minor Capital Outlay	206,000

Provisions:

1. Funds appropriated in category (12) of this item for the construction of increased water storage capacity at Hearst San Simeon State Historic Park may not be encumbered until the Department of Parks and Recreation receives written authorization from the Hearst Corporation allowing the department to store sufficient quantities of water such that it can reasonably use the

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increased storage capacity of a one-million-gallon reservoir.

2. Funds appropriated in category (10) of this item shall be available for expenditure until June 30, 1992.

3790-401—For the 1989–90 fiscal year, the balance as of July 1, 1989, deposits in, and accruals to the Conservation and Enforcement Services Account in the Off-Highway Vehicle Fund shall be transferred by the State Controller to the Off-Highway Vehicle Fund. All funds transferred pursuant to this item shall be available for expenditure by the Department of Parks and Recreation for purposes of conservation and enforcement activities pursuant to Sections 23 and 25 of Chapter 1027, Statutes of 1987 which are authorized for expenditure within Items 3790-001-263, 3790-101-263, and 3790-301-263. The State Controller shall make the transfers quarterly or at such intervals as determined necessary to meet the cash-flow needs of the Off-Highway Vehicle Fund.

It is the intent of the Legislature that the Off-Highway Vehicle Fund will be utilized for appropriations to fund all Off-Highway Vehicle Recreation programs including conservation and enforcement activities. This intent recognizes that the funds in the Conservation and Enforcement Services Account may not be sufficient for the purposes of conservation and enforcement activities required pursuant to Chapter 1027, Statutes of 1987.

3790-490—Reappropriation, Department of Parks and Recreation. The balances of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations.

036—Special Account for Capital Outlay

(1) Item 3790-301-036(14), Budget Act of 1985, as reappropriated by Item 3790-490-036(7), Budget Act of 1988, 90.IF.100.851, San Onofre SB —Parcel 1 recreation facility—working drawings and construction.

(2) Item 3790-301-036(20), Budget Act of 1985, as reappropriated by Item 3790-490-036(9), Budget Act of 1988, 90.RS.800.852, Reimbursement, San Onofre SB.

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(3) Section 1, Chapter 1548, Statutes of 1984, as reappropriated by Item 3790-490-036(4), Budget Act of 1988, John Marsh Home-restoration, provided that the amount reappropriated shall not exceed $500,000.

(4) Item 3790-301-036(12.2), Budget Act of 1985, as reappropriated by Item 3790-490-036(6), Budget Act of 1988, 90.HO.400, Rancho Buena Vista-acquisition; provided that the funds shall be expended for acquisition of the Sunset Del Mar property adjacent to Torrey Pines State Reserve.

140—Environmental License Plate Fund

(1) Item 3790-301-140(1), Budget Act of 1986 90.8P.100, Emerald Bay SP—Vikingsholm Area Parking Improvements; provided that funds shall be limited to agency retained items only.

263—Off-Highway Vehicle Fund

(1) Item 3790-301-263(2), Budget Act of 1986, 90.C7.400, Ocotillo Wells SVRA—Acquisition.

(2) Item 3790-301-263(3), Budget Act of 1984, as reappropriated by Item 3790-490-263(3), Budget Act of 1988, 90.C7.100—Ocotillo Wells SVRA —construct initial development; provided that funds shall be limited to agency retained items only.

392—State Parks and Recreation Fund

(1) Section 12, Chapter 1384, Statutes of 1984, as reappropriated by Item 3790-490-392(1), Budget Act of 1988, 90.AC.400.851, Old Sacramento SHP—engineering facility, acquisition.

(2) Section 12, Chapter 1384, Statutes of 1984, as reappropriated by Item 3790-490-392(2), Budget Act of 1988, 90.AC.800.001, California State Railroad Museum—Central Pacific Freight Depot—acquisition and improvements.

721—Parklands Fund of 1980

(1) Item 3790-301-721(2), Budget Act of 1986, 90.6F.100, Angel Island SP—East Garrison.

(2) Item 3790-301-721(3), Budget Act of 1986, 90.E4.400.862 Chino Hills SP—Astro Group—Acquisition; provided that the funds may be used for the acquisition of any high priority parcels located within the proposed park boundary identified in the California State Park and Recreation Commission approved General Plan dated August 1986.

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(3) Item 3790-301-721(2), Budget Act of 1988, 90.EX.105, Malibu Creek SP: Additional Entrance Road Delay Costs—Construction.

(5) Item 3790-301-721(j), Budget Act of 1983 as reappropriated by Item 3790-490-721(6), Budget Act of 1988. 80.80.095.008—San Simeon SB —working drawings and construct day use, campground, and sewer hookup; provided that funds shall be limited to agency retained items only.

(6) Item 3790-301-721(1), Budget Act of 1988, 90.C5.605—Carmel River SB, day use and parking lot facilities—preliminary plans and working drawings; provided that, notwithstanding any other provision of law, the Department of Parks and Recreation, through the Department of General Services, may prepare and advertise for bids in advance of construction funds being appropriated by the Legislature for the scheduled project, but shall not award any contract for construction of the project until funds are appropriated therefore, and that in no event, shall the Department of Finance authorize the project to be bid until budget subcommittees in both houses of the Legislature have approved construction funds for the 1990–91 fiscal year budget.

(7) Item 3790-304-721(1), Budget Act of 1988 as added by Section 12, Chapter 1614, Statutes of 1988, 90.5X.600—Marconi Conference and Center—planning, surveys and equipment.

(8) Item 3790-301-721(ee), Budget Act of 1982, as reappropriated by Item 3790-490-721(3), Budget Act of 1988, East Bay Shoreline—acquisition, planning, and development.

722—Parklands Fund of 1984

(1) Item 3790-301-722(8.1), Budget Act of 1985, as reappropriated by Item 3790-490-722(7), Budget Act of 1988, 90.FU.400.00, California Citrus SHP—acquisition; provided that the funds may be used in conjunction with funds appropriated by Item 3790-301-721(qq), Budget Act of 1982, as reappropriated by Item 3790-490-721(5), Budget Act of 1988, for acquisition projects at California Citrus SHP.

(2) Item 3790-301-722(10.1), Budget Act of 1985, as reappropriated by Item 3790-490-722(9), Bud-

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get Act of 1988, 90.E4.400.852, Chino Hills SP —Brea Olinda wilderness acquisition.

(3) Item 3790-301-722(20.1), Budget Act of 1985, as reappropriated by Item 3790-490-722(13), Budget Act of 1988, 90.5N.400, Mount Diablo SP—acquisition.

(4) Item 3790-301-722(27), Budget Act of 1985, as reappropriated by Item 3790-490-722(18), Budget Act of 1988, 90.G3.100.85, Regional Indian Museum (Antelope Valley)—working drawings and construction.

(5) Item 3790-301-722(31), Budget Act of 1985, as reappropriated by Item 3790-490-722(20), Budget Act of 1988, 90.7P.100, San Mateo Coast SBs—working drawings and construction for access improvements; provided that funds shall be limited to agency retained items only.

(6) Item 3790-301-722(3), Budget Act of 1986, 90.6F.100, Angel Island SP—Building Restoration and Stabilization—Working Drawings and Construction; provided that funds shall be limited to agency retained items only.

(7) Item 3790-301-722(9), Budget Act of 1986, as reappropriated by Item 3790-490-722(22), Budget Act of 1988, 90.BK.100, Manresa SB —campground and beach access—construction.

(8) Item 3790-301-722(19b), Budget Act of 1986, as reappropriated by Item 3790-490-722(27), Budget Act of 1988. 90.GY.100, Rehabilitation and Replacement of Wornout Facilities —Doheny SB campground.

(9) Item 3790-301-722(8), Budget Act of 1987, as reappropriated by Item 3790-490-722(35), Budget Act of 1988, 90.5M.100, China Camp SP—Back Ranch—preliminary plans, working drawings, and construction.

(10) Item 3790-301-722(9), Budget Act of 1987, as reappropriated by Item 3790-490-722(36), Budget Act of 1988, 90.5M.100.871, China Camp SP—sewer—construction; provided that funds shall be limited to agency retained items only.

(11) Item 3790-301-722(10), Budget Act of 1987, as reappropriated by Item 3790-490-722(37), Budget Act of 1988, 90.E4.100, Chino Hills SP, Initial Development of Facilities—prelimi-

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	nary plans and working drawings; provided that funds shall be limited to agency retained items only.	
(12)	Item 3790-301-722(20), Budget Act of 1987, as reappropriated by Item 3790-490-722(42), Budget Act of 1988, 90.FB.500, Pio Pico SHP, Phase I Historic Structures Report.	
(13)	Item 3790-301-722(24)(a), Budget Act of 1987, as reappropriated by Item 3790-490-722(45), Budget Act of 1988, 90.8I.100, Rehabilitation and Replacement of Worn-Out Facilities, Calaveras Big Trees SP—preliminary plans, working drawings, and construction.	
(14)	Item 3790-301-722(24)(b), Budget Act of 1987, as reappropriated by Item 3790-490-722(46), Budget Act of 1988, 90.RS.100, Rehabilitation and Replacement of Worn-Out Facilities, Klamath District Trails—preliminary plans, working drawings, and construction.	
(15)	Item 3790-301-722(32), Budget Act of 1987, as reappropriated by Item 3790-490-722(55), Budget Act of 1988, 90.RS.200, Statewide Natural Heritage Stewardship Program.	
(16)	Item 3790-301-722(6), Budget Act of 1988. 90.GI.106, Crystal Cove SP: Erosion Control and Landscaping—preliminary plans, working drawings and construction.	
(17)	Item 3790-301-722(9), Budget Act of 1988, 90.5N.605, Mount Diablo SP: Water System and Road Study—Preliminary Studies.	
(18)	Item 3790-301-722(11), Budget Act of 1988, 90.EN.105, Refugio SB: Rehabilitation and Replacement of Wornout Facilities—Campgrounds—Preliminary Plans and Working Drawings.	
(19)	Item 3790-301-722(15), Budget Act of 1988, 90.RS.220, Statewide: Storm Damage Repairs —Minor Projects.	
(20)	Item 3790-301-722, Budget Act of 1984, as reappropriated by Item 3790-490-722 (1), Budget Act of 1988, 90.C0.400—Gilroy Hot Springs—acquisition; provided that the funds may be used for acquisition of inholdings and lands for boundary adjustments for Henry W. Coe SP, and that the funds may also be used in conjunction with existing appropriations for acquisition projects at Henry W. Coe SP.	

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(22) Item 3790-301-722, Budget Act of 1984, as reappropriated by Item 3790-490-722 (2), Budget Act of 1988, 90.5Y.100—Candlestick Point SRA—working drawings and construct day use parking and landscaping.

(23) Item 3790-301-722(3), Budget Act of 1985, as reappropriated by Item 3790-490-722(3.5) Budget Act of 1988, 90.6C.100—Ano Nuevo SR—working drawings and construct Visitor Center and building restoration.

(24) Item 3790-301-722(7), Budget Act of 1985, as reappropriated by Item 3790-490-722(7) Budget Act of 1988, 90.DN.100.851—Big Sur Coast—planning, working drawings and construct immediate public-use facilities.

(25) Item 3790-301-722(9), Budget Act of 1985, as reappropriated by Item 3790-490-722(8) Budget Act of 1988, 90.5Y.100.851—Candlestick Point SRA—working drawings and day use facilities.

(26) Item 3790-301-722(16), Budget Act of 1985, as reappropriated by Item 3790-490-722(10) Budget Act of 1988, 90.CO.100—Henry W. Coe SP—working drawings and construct initial development.

(27) Item 3790-301-722(23.5), Budget Act of 1985, as reappropriated by Item 3790-490-722(15) Budget Act of 1988, 90.AC.100.850—Old Sacramento SHP—working drawings and construct railroad excursion line.

(28) Item 3790-301-722(25), Budget Act of 1985, as reappropriated by Item 3790-490-722(17) Budget Act of 1988, 90.2Y.100—Patrick's Point SP—working drawings and construct native village.

(29) Item 3790-301-722(20.2), Budget Act of 1985, as reappropriated by Item 3790-490-722(14) Budget Act of 1988, 90.5N.500.851—Mount Diablo SP—Communications tower study, provided that the department shall have the ability to consider the problems of consolidation in a broad and inclusive manner.

(29.5) Item 3790-301-722(36.4), Budget Act of 1985, 90.CS.400, South Monterey Bay Dunes, ARCO Bosland property acquisition.

(30) Item 3790-301-722(10), Budget Act of 1986,

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	90.CS.400—Monterey SB, Window-on-the-Bay—acquisition; provided that any funds received by the City of Monterey as payment for city-owned property shall only be used to (1) purchase additional property for inclusion in Monterey State Beach, (2) acquire and/or demolish improvements located within the "Priority A" project area or (3) pay good will and/or relocation benefits to commercial businesses located within the "Priority A" project area. Provided further that no funds shall be paid to the City of Monterey until the city has agreed to operate the existing portion of Monterey State Beach located adjacent to the Window-on-the-Bay Project and any state acquired lands associated with the project at no cost to the state.	
(31)	Item 3790-301-722(15), Budget Act of 1986, 90.2Y.100—Patrick's Point SP—Native American Village—construction.	
(32)	Item 3790-301-722(19f), Budget Act of 1986, 90.HJ.100—San Diego Coast SB (Torrey Pines)—day use access and overnight facilities—construction.	
(33)	Item 3790-301-722(6.5), Budget Act of 1986, 90.HY.100—Indio Hills Palms SP—immediate public use Facilities-Development.	
(34)	Item 3790-301-722(19c) Budget Act of 1986, as reappropriated by Item 3790-490-722(28) Budget Act of 1988, 90.F2.100—Gaviota SP—campground and day use—rehabilitation and replacement of wornout facilities.	
(35)	Item 3790-301-722(23) Budget Act of 1986, as reappropriated by Item 3790-490-722(29) Budget Act of 1988, 90.14.600—South Carlsbad SB—administrative, maintenance, and day use facilities working drawings.	
(36)	Item 3790-301-722(4) Budget Act of 1987, as reappropriated by Item 3790-490-722(33) Budget Act of 1988, 90.BA.100—Big Basin Redwoods SP—refurbish campground center; provided that funds shall be limited to agency retained items only.	
(37)	Item 3790-301-722(5) Budget Act of 1987, as reappropriated by Item 3790-490-722(34) Budget Act of 1988, 90.BA.100.871—Big Basin Redwoods SP—rehabilitate sewer plant-	

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	—preliminary plans, working drawings and construction.	
(37.1)	Item 3790-301-722(8), Budget Act of 1987, as reappropriated by Item 3790-490-722(35) Budget Act of 1988, 90.5M.100—China Camp SP—Back Ranch preliminary plans, working drawings, and construction.	
(37.2)	Item 3790-301-722(9), Budget Act of 1987, as reappropriated by Item 3790-490-722(36) Budget Act of 1988, 90.5M.871—China Camp SP—sewer—construction.	
(38)	Item 3790-301-722(16) Budget Act of 1987, as reappropriated by Item 3790-490-722(39) Budget Act of 1988, 90.45.100—Mendocino Woodlands Outdoor Center construction.	
(39)	Item 3790-301-722(21) Budget Act of 1987, as reappropriated by Item 3790-490-722(43) Budget Act of 1988, 90.BN.100—Point Sur Light Station—working drawings and construction.	
(40)	Item 3790-301-722(24d) Budget Act of 1987, as reappropriated by Item 3790-490-722(48) Budget Act of 1988, 90.AI.100—Millerton Lake SRA—rehabilitation and replacement of wornout facilities—preliminary plans, working drawings and construction.	
(41)	Item 3790-301-722(24e) Budget Act of 1987, as reappropriated by Item 3790-490-722(49) Budget Act of 1988, 90.H2.100—Silver Strand SB—rehabilitation and replacement of worn-out facilities—preliminary plans, working drawings, and construction.	
(42)	Item 3790-301-722(25) Budget Act of 1987, as reappropriated by Item 3790-490-722(50) Budget Act of 1988, 90.EB.100—San Buenaventura SB—day use parking and entrance station—preliminary plans, working drawings, and construction.	
(43)	Item 3790-301-722(26) Budget Act of 1987, as reappropriated by Item 3790-490-722(51) Budget Act of 1988, 90.H9.100—San Diego Coast SB, South Cardiff SB—day use rehabilitation—working drawings and construction.	
(44)	Item 3790-301-722(28) Budget Act of 1987, as reappropriated by Item 3790-490-72(52) Budget of Act 1988, 90.H2.100—Silver Strand SB—Inland campground development—construction.	

Item Amount

(45) Item 3790-301-722(29) Budget Act of 1987, as reappropriated by Item 3790-490-722(53) Budget Act of 1988, 90.14.100—South Carlsbad SB—Administration/Maintenance Center and day use facilities—construction.

(46) Item 3790-302-722, Budget Act of 1987, as added by Chapter 1408, Statutes of 1987, as reappropriated by Item 3790-490-722(59), Budget Act of 1988, 90.5Y.100.871—Candlestick Point SRA.

(47) Item 3790-301-722(2), Budget Act of 1988, 90.8Q.105—Brannan Island SRA—Rehabilitation and replacement of worn out facilities —campgrounds—preliminary plans, working drawings, and construction.

(48) Item 3790-301-722(4), Budget Act of 1988, 90.E4.105—Chino Hills SP—initial development of facilities—construction.

(49) Item 3790-301-722(5), Budget Act of 1988, 90.GI.106—Crystal Cove SP: items to complete, Phase II-Construction, provided that funds shall be limited to agency retained items only.

(50) Item 3790-301-722(8), Budget Act of 1988, 90.F0.105—Leo Carillo SB—rehabilitation and replacement of worn out facilities —campground—preliminary plans and working drawings, provided that funds shall be limited to agency retained items only.

728—Recreation and Fish and Wildlife Enhancement Fund

(1) Item 3790-301-728(1), Budget Act of 1984, as reappropriated by Item 3790-490-728(1), Budget Act of 1988, 90.99.100, San Luis Reservoir SRA—campground improvements; provided that funds shall be limited to agency retained items only.

(2) Item 3790-302-728, Budget Act of 1987, as added by Chapter 1408, Statutes of 1987, as reappropriated by Item 3790-490-728(2), Budget Act of 1988, 90.47.100—Lake Oroville SRA Lime Saddle SP, infrastructure development.

732—State Beach, Park, Recreational, and Historic Facilities Fund

(1) Item 573(b), Budget Act of 1980, as reappropriated by Item 3790-490-732(1), Budget Act of

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1988, 80.80.063.001, Relocation Assistance; provided that funds reappropriated in this item may be used for relocation assistance related to any acquisition project regardless of funding source.

742—State Urban and Coastal Park Fund

(1) Item 585(1), Budget Act of 1980, as reappropriated by Item 3790-490-742(5), Budget Act of 1988, 80.80.067.008, Relocation Assistance; provided that the funds reappropriated in this item may be used for relocation assistance related to any acquisition project regardless of funding sources.

(2) Item 3790-301-742(f), Budget Act of 1983, as reappropriated by Item 3790-490-742(7), Budget Act of 1988, 80.80.095.052, East Bay Shoreline Project—acquisition and development.

(3) Item 507.5B, Budget Act of 1979, as added by Chapter 372, Statutes of 1980, as reappropriated by Item 3790-490-742(2), Budget Act of 1988, 80.80.052.001—Lake Elsinore SRA—acquisition of land, leases and other interests in land; acquisition and development of recreation facilities.

(4) Item 3790-301-742, Budget Act of 1984, as reappropriated by Item 3790-490-742(8), Budget Act of 1988, 90.FZ.400—El Presidio de Santa Barbara SHP—acquisition; provided that funds may be used on a willing seller basis to acquire specified parcels and any other desirable high priority parcels.

890—Federal Trust Fund

(1) Item 3790-301-890(4), Budget Act of 1986, 90.B8.400, Castle Rock SP—Acquisition.

3790-491—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in such appropriations, and shall be available for expenditure until June 30, 1990.

140—California Environmental License Plate Fund

(1) Item 3790-101-140(1), Budget Act of 1985, as reappropriated by Item 3790-491-140(1), Budget Act of 1988, City of Walnut Creek, Alexander Lindsay Junior Museum Association.

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3790-495—Reversion, Department of Parks and Recreation. As of June 30, 1989, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.

392—State Parks and Recreation Fund

(1) Section 1(d), Chapter 945, Statutes of 1977, Pacific Ocean Corridor: Los Angeles County.

(2) Section 1, Chapter 575, Statutes of 1979, for planning and acquisition of Madrona Marsh.

(3) Section 10(a), Chapter 86, Statutes of 1980, Seccombe Park—acquisition, planning, working drawings and construction.

(4) Section 4(c), Chapter 809, Statutes of 1980, Fryman Canyon—acquisition and development.

(5) Item 3790-301-392(2), Budget Act of 1986, 90.AC.400. Old Sacramento SHP-Engineering Building Site—Acquisition.

722—Parklands Fund of 1984

(1) Item 3790-301-722(18), Budget Act of 1987, 90.AC.400, Old Sacramento SHP, Walnut Grove Excursion Line—Acquisition.

742—State, Urban, and Coastal Park Fund

(1) Item 585(k), Budget Act of 1980, as reappropriated by Item 3790-490-742(4), Budget Act of 1988, 80.80.067.007, augmentation for land acquisition, condemnation proceedings for State, Urban, and Coastal Park Fund projects, except that the amount to be reverted shall be limited to $500,000.

890—Federal Trust Fund

(1) Item 3790-301-890(4), Budget Act of 1987, 90.5N.400, Mount Diablo SP—Acquisition.

(2) Item 3790-301-890(5), Budget Act of 1987, 90.3P.400.871, Sinkyone Wilderness SP—Acquisition.

3790-496—Reversion, Department of Parks and Recreation. As of June 30, 1989, the unencumbered balance of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.

263—Off-Highway Vehicle Fund

(1) Item 3790-101-263(39), Budget Act of 1987, 35.24.004 USFS Inyo National Forest, Coyote Flat O&M.

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(2) Item 3790-101-263(40), Budget Act of 1987, 35.27.001 USFS Klamath National Forest, Deer Mountain.
(3) Item 3790-101-263(41), Budget Act of 1987, 35.27.002 USFS Klamath National Forest, Deer Mountain Snowplowing II O&M.
(4) Item 3790-101-263(42), Budget Act of 1987, 35.27.003 USFS Klamath National Forest, Medicine Lake Link O&M.
(5) Item 3790-101-263(43), Budget Act of 1987, 35.27.004 USFS Klamath National Forest, Medicine Lake Link Snowplowing II O&M.
(6) Item 3790-101-263(73), Budget Act of 1987, 35.48.001 USFS Sequoia National Forest, Tule River Motorcycle O&M.
(7) Item 3790-101-263(89), Budget Act of 1987, 35.72.001 Monterey County, Laguna Seca O&M.
(8) Item 3790-101-263(93), Budget Act of 1987, 35.81 002 Stanislaus County, Frank Raines O&M II.
(9) Item 3790-101-263(27), Budget Act of 1988, 35.24.007 USFS Inyo National Forest, Lookout Mountain Trailhead.

3810-001-001—For support of the Santa Monica Mountains Conservancy 207,000
Schedule:
(a) 100000-Personal Services 476,000
(b) 300000-Operating Expenses and Equipment 206,000
(c) Reimbursements ..... —40,000
(d) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3810-011-786) ..... —47,000
(e) Amount payable from the Santa Monica Mountains Conservancy Fund (Item 3810-011-941) ..... —388,000

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3810-011-786—For support of the Santa Monica Mountains Conservancy, for payment to Item 3810-001-001, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 47,000

Item		Amount
3810-011-941—For support of the Santa Monica Mountains Conservancy, for payment to Item 3810-001-001, payable from the Santa Monica Mountains Conservancy Fund		388,000
3810-301-236—For capital outlay, Santa Monica Mountains Conservancy, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund		500,000
Schedule:		
(1) 20.10.191-Santa Clarita Woodlands-acquisition	500,000	
Provisions:		
1. The funds appropriated in this item are available only upon (a) enactment of legislation to revise the recreational trail corridor boundary for the Rim of the Valley Trail Corridor to include the Santa Clarita Woodlands portion of the Santa Susana Mountains, and (b) completion of a formal feasibility study by the Department of Parks and Recreation regarding the possible creation of a state park in the Santa Clarita Woodlands area.		

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM OF 1984

3810-301-722—For capital outlay, Santa Monica Mountains Conservancy, payable from the Parklands Fund of 1984		3,000,000
Schedule:		
(1) 20.10.190-Malibu Canyon Eastern Viewshed Aquisition (Vernon and Bovenzi parcels)	1,703,000	
(2) 20.10.160-Santa Susana Mountains/Simi Hills Acquisition Projects	1,254,000	
(3) 20.10.142-Project Planning and Design	43,000	
Provisions:		
1. Notwithstanding any other provision of law, the funds appropriated in this item are available for: (a) Conservancy acquisition of the two parcels listed in category (1), (b) capital outlay and local assistance projects in the Santa Susana Mountains and Simi Hills within the Rim of the Valley Corridor pursuant to the Conservancy's workprogram for this area, and (c) related project planning and design.		

Item		Amount
3810-490—Reappropriation, Santa Monica Mountains Conservancy. $153,000 of the appropriation provided in the following citation, is reappropriated for the purpose provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1990.		
786—California Wildlife, Coastal, and Park Land Conservation Fund of 1988		
(1) Item 3810-301-786(3), Budget Act of 1988—20.10.142—Project planning and design.		
3820-001-001—For support of San Francisco Bay Conservation and Development Commission		1,622,000
Schedule:		
(a) 10-Bay Conservation and Development	1,822,000	
(b) Reimbursements	−200,000	
3820-001-164—For support of San Francisco Bay Conservation and Development Commission, Program 10—Bay Conservation and Development, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund		35,000
3860-001-001—For support of Department of Water Resources		7,184,000
Schedule:		
(a) 10-Continuing Formulation of the California Water Plan	19,326,000	
(b) 20-Implementation of the State Water Resources Development System	1,331,000	
(c) 30-Public Safety and Prevention of Damage	19,936,000	
(d) 40-Services	4,591,000	
(e) 50.01-Management and Administration	41,527,000	
(f) 50.02-Distributed Management and Administration	−41,527,000	
(g) Reimbursements	−6,541,000	
(h) Amount payable from the California Environmental License Plate Fund (Item 3860-001-140)	−846,000	
(hx) Amount payable from the California Water Fund (Item 3860-001-144)	−25,000,000	
(i) Amount payable from the Delta Flood Protection Fund (Item 3860-001-176)	−1,360,000	

Item		Amount
(j)	Amount payable from the State Clean Water Bond Fund (Item 3860-001-740)	−29,000
(k)	Amount payable from the Water Conservation and Water Quality Bond Fund (Item 3860-001-744)	−434,000
(*l*)	Amount payable from the Water Conservation Bond Fund of 1988 (Item 3860-001-790)	−134,000
(m)	Amount payable from the Federal Trust Fund (Item 3860-001-890)	−1,491,000
(n)	Amount payable from the Renewable Resources Investment Fund (Item 3860-001-940)	−2,165,000

Provisions:

1. The amounts appropriated in Items 3860-001-001 to 3860-001-940, inclusive, shall be transferred to the Water Resources Revolving Fund (691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies. The money so transferred shall be placed in a special account in that fund and shall not be available for expenditure after June 30, 1990. Any unencumbered balances shall be returned to the appropriate funds as of June 30, 1990. Expenditures for technical services and general management charged to programs from all support appropriations for the Department of Water Resources in this act shall not exceed $24,389,000 and $15,512,000, respectively, without prior approval of the Department of Finance.
2. Notwithstanding any other provision of law, no expenditures of funds under the continuous appropriation authorized by paragraph (4) of subdivision (b) of Section 12937 of the Water Code shall be made sooner than 30 days after notification in writing of the necessity therefore to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

Item	Amount
3860-001-140—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the California Environmental License Plate Fund	846,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-144—For support of the Department of Water Resources, for transfer to Item 3860-001-001, payable from the California Water Fund	25,000,000
3860-001-176—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Delta Flood Protection Fund	1,360,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
2. Funds may be transferred, with the approval of the Department of Finance, between this item and Item 3860-101-176 of this act. The Director of Finance shall report to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee within 30 days after authorizing any transfer pursuant to this provision.	
3860-001-740—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the 1984 State Clean Water Bond Fund	29,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-744—For support of the Department of Water Resources, for payment to Item 3860-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund	434,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-790—For support of the Department of Water Resources, for payment to Item 3860-001-001, payable from the 1988 Water Conservation Bond Fund	134,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	

Item Amount

3860-001-890—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Federal Trust Fund 1,491,000

Provisions:

1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.

3860-001-940—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Renewable Resources Investment Fund..... 2,165,000

Provisions:

1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.

3860-005-144—For support of Department of Water Resources, payable from the California Water Fund, for transfer to the Delta Flood Protection Fund .. (12,000,000)

3860-101-001—For local assistance, Department of Water Resources, Program 30.20—Flood Control Subventions, payable from the General Fund 13,000,000

Provisions:

1. The funds appropriated in this item shall be available for partial payment (90 percent of the amount recommended by the Department of Water Resources) of claims for reimbursement following a completed engineering review by the Department of Water Resources. The remaining portion of the claims shall be paid after an audit has been completed by the Controller's office. Funds available in this item shall be available in the final quarter of the fiscal year for payment of advance claims only after the necessary funds are first committed to paying reimbursement claims that will be ready for payment in 1989–90. No expenditures shall be made until the local organizations give assurances that they will maintain and operate the projects after completion in a manner which will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organizations will hold and save the State of California free from damages or claims due to the construction, installation, or operation and maintenance of the project.
2. The funds appropriated in this item are for expenditure by the Department of Water Re-

Item		Amount
	sources, in accordance with Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, for payment of, and for reimbursement for necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized pursuant to Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, and administrative costs.	
3860-101-176—For local assistance, Department of Water Resources, Program 30.20 Flood Control Subventions, payable from the Delta Flood Protection Fund....		10,640,000
	Provisions: 1. The funds appropriated in this item shall be spent in accordance with, and subject to, the provisions of the Delta Flood Protection Act of 1988 (Chapter 28, Statutes of 1988). 2. Funds may be transferred, with the approval of the Department of Finance, between this item and Item 3860-001-176 of this act. The Director of Finance shall report to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee within 30 days after authorizing any transfer pursuant to this provision. 3. The funds appropriated for this item may be spent on the recommended interim actions set forth in the Plan of Action for Flood Control for the Towns of Thornton and Walnut Grove, February 1989.	
3860-101-235—For local assistance, Department of Water Resources, Program 30.20, Flood Control Subventions, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....		60,000
	Schedule: (a) Lake Success/Kaweah Reservoir.. 30,000 (b) Terminus Reservoir study 30,000	

Item		Amount
3860-101-744—For local assistance, Department of Water Resources, Program 10.25 Water Conservation, payable from the 1986 Water Conservation and Water Quality Bond Fund		26,250,000

CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM

3860-101-786—For local assistance, Department of Water Resources, Program 10.10 Water Management Planning, payable from the California Wildlife, Coastal, and Park Land Fund of 1988 for the California Wildlife, Coastal, and Park Land Program		800,000
3860-101-790—For local assistance, Department of Water Resources, Program 10.25 Water Conservation, payable from the Water Conservation Bond Fund of 1988		15,808,000
3860-301-036—For capital outlay, Department of Water Resources, payable from the Special Account for Capital Outlay		8,290,000
Schedule:		
(1) 30.95.020—Cache Creek Settling Basin Project	8,290,000	
Provisions:		
1. No funds appropriated by this item may be expended unless and until legislation has been enacted which authorizes the department to undertake the Cache Creek Settling Basin Project.		
2. Funds appropriated by this item shall be available for acquisition of land, easements, rights of way, and relocation costs.		
3860-301-144—For capital outlay, Department of Water Resources, payable from the California Water Fund		9,950,000
Schedule:		
(1) 30.95.010—Sacramento Riverbank Protection Project	1,500,000	
(2) 30.95.015—Fairfield Vicinity Streams Project	2,200,000	
(3) 30.95.030—Merced County Streams Channel Improvement Project	650,000	
(4) 30.95.080—Sacramento Metropolitan Area Levee Reconstruction	5,600,000	
Provisions:		
1. The amounts appropriated in categories (1) to		

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(4), inclusive, of this item are for acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pit, spoil areas, and easements for levees, clearing, flood control works, and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code; and for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items which are an obligation of the state in connection with the completion or operation of the projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works, and other structures and facilities and for appraisals, surveys, and engineering studies incidental thereto. 2. The funds appropriated in category (2) of this item include funding for preliminary plans, working drawings, construction supervision, contract administration, and other work activities to be performed by Department of Water Resources personnel in completion of the projects. 3. Notwithstanding the provisions of Section 28.00, funds may be transferred, with the approval of the Department of Finance, between the projects specified in categories (1) to (4), inclusive, of this item. The Director of Finance shall notify, in writing, the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, 30 days or such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine prior to any transfer.	

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3860-301-235—For capital outlay, Department of Water Resources, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund 1,100,000

Schedule:

(1) 30.95.025—Sacramento-San Joaquin River Riparian Purchases 1,100,000

Provisions:

1. The riparian vegetation acquired with these funds shall be permanently managed to preserve the existing habitat value.
2. The Reclamation Board shall enter into an agreement with a suitable, experienced nonprofit land management or land stewardship organization to manage the land acquired with these funds for the protection of natural riparian vegetation and wildlife habitat.

3860-490—Reappropriation, Department of Water Resources. The balance of the appropriation provided in Item 3860-101-740 of the Budget Act of 1986, as reappropriated by Item 3860-490 of the Budget Act of 1987, is reappropriated for the purpose provided for in this appropriation, and shall be available for encumbrance and expenditure until June 30, 1990.

3860-491—Reappropriation, Department of Water Resources. The balances of the appropriations provided in the following citations are reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations.

036—Special Account for Capital Outlay

(1) Item 3860-301-036(3), Budget Act of 1985, as reappropriated by Item 3860-491, Budget Act of 1988—30.95.030—Merced County Streams Project.

(2) Item 3860-301-036(7), Budget Act of 1987, as reappropriated by Item 3860-491, Budget Act of 1988—30.95.065—Cache Slough Project.

(3) Item 3860-301-036(2), Budget Act of 1988—30.95.015—Fairfield Vicinity Streams Project.

3940-001-001—For support of State Water Resources Control Board 31,389,000

Schedule:

(a) 10-Water Quality 71,100,000

(b) 20-Water Rights 987,000

Item		Amount
(c) 30.01-Administration		8,774,000
(d) 30.02-Distributed Administration		−8,774,000
(e) Reimbursements		−4,693,000
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 3940-001-014)		−509,000
(fx) Amount payable from Special Account for Capital Outlay (Item 3940-001-036)		−258,000
(fz) Amount payable from California Water Fund (Item 3940-001-144)		−2,255,000
(g) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-235)		−233,000
(gx) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-236)		−75,000
(h) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-436)		−259,000
(i) Amount payable from the Underground Storage Tank Fund (Item 3940-001-475)		−1,120,000
(j) Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482)		−2,833,000
(k) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-740)		−501,000
(*l*) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3940-001-744)		−273,000
(*l*x) Amount payable from the 1988 Clean Water and Water Reclamation Fund (Item 3940-001-764)		−601,000
(m) Amount payable from the Federal Trust Fund (Item 3940-001-890)		−27,088,000

Provisions:

1. It is the intent of the Legislature that the amount appropriated in this item, payable from

Item		Amount
	Item 3940-001-144, shall be considered a one-time shift in funding and does not represent a permanent change to the base funding of the board.	
	2. Of the funds appropriated in this item for followup on reports of drinking water contamination, $250,000 payable from Item 3940-001-144 shall be available to address water quality problems relating to nitrate contamination. This work shall include preparation of final workplans relating to data collection and followup investigations, and development of a regulatory strategy to prevent further contamination.	
3940-001-014	—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Hazardous Waste Control Account, General Fund	509,000
3940-001-036	—For support of the State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Special Account for Capital Outlay	258,000
3940-001-144	—For support of the State Water Resources Control Board, for payment to Item 3940-001-001, payable from the California Water Fund.	2,255,000
3940-001-235	—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	233,000
3940-001-236	—For support of the State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund	75,000
3940-001-436	—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Tester Account	259,000
3940-001-475	—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Fund. Provisions:	1,120,000
	1. Pursuant to subdivision (b) of Section 25283.3 of the Health and Safety Code, the Legislature hereby determines that the surcharge to be included in the fee paid to a local agency by each person who submits an application for a permit to operate an underground storage tank shall be $56 per tank, during the 1989–90 fiscal year. This	

Item	Amount
surcharge shall be transmitted to the State Water Resources Control Board and deposited in this Underground Storage Tank Fund.	
3940-001-482—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Surface Impoundment Assessment Account, General Fund	2,833,000
3940-001-740—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1984 State Clean Water Bond Fund	501,000
3940-001-744—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund	273,000
3940-001-764—For support of the State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1988 Clean Water and Water Reclamation Fund	601,000
3940-001-890—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Federal Trust Fund	27,088,000
3940-005-144—For support of State Water Resources Control Board, payable from the California Water Fund	7,000,000
Schedule:	
(a) 20-Water Rights 7,000,000	
Provisions	
1. It is the intent of the Legislature that the amount appropriated in this item shall be considered as a one-time shift in funding and does not represent a permanent change to the base funding of the board.	
3940-101-235—For local assistance, State Water Resources Control Board, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	75,000
3940-101-744—For local assistance, State Water Resources Control Board, Program 10, Water Quality, payable from the 1986 Water Conservation and Water Quality Bond Fund	25,000,000
Provisions:	
1. None of the funds appropriated in this item may be expended until the State Water Resources Control Board has obtained legislative authorization as specified in Sections 13466 and 13467 of the Water Code.	

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3940-101-890—For local assistance, State Water Resources Control Board, payable from the Federal Trust Fund 170,626,000
Schedule:
(a) Program 10-Water Quality..... 171,052,000
(b) Reimbursements..... −426,000

3940-102-890—For local assistance, State Water Resources Control Board, payable from the Federal Trust Fund 2,640,000
Schedule:
(a) Program 10-Water Quality..... 5,287,000
(b) Reimbursements..... −2,647,000
Provisions:
1. The State Water Resources Control Board shall not encumber any of the funds appropriated in this item until (a) the board has submitted to the Legislature an evaluation of the underground tank pilot program as required by Chapter 1431, Statutes of 1988, (b) the board has submitted to the Legislature information to fully justify the amounts proposed for each contract, (c) the appropriate subcommittees of the fiscal committees of the Legislature have conducted a hearing on the board's evaluation of the pilot program, the information justifying the amount proposed for each contract, and the continuation of the pilot programs, and (d) the chairpersons of the fiscal committees have notified the Controller that the subcommittee hearings have been held.

3940-490—Reappropriation, State Water Resources Control Board.
The balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1990:
890—Federal Trust Fund
For local assistance, for underground tank cleanup oversight contracts as appropriated by Item 3940-101-890 of the Budget Act of 1988, except that no funds appropriated in this item shall be encumbered after June 30, 1989, until all requirements of Provision 1 of Item 3940-102-890 have been complied with.

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HEALTH AND WELFARE

4100-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund 5,501,000

Schedule:

(a) 10-State Council Operations..... 953,000

(b) 20-Community Program Development 2,131,000

(c) 30-Allocation to Area Boards..... 2,417,000

Provisions:

1. In the event federal funds are available to the state council in excess of the amounts appropriated in this item, the additional funds shall be used only for the following purposes, unless the funds are specifically designated by federal law for other purposes:
   (a) To augment the allocation to the Program Development Fund.
   (b) To fund the costs of salary and benefit increases approved by the Legislature that exceed the Budget Act appropriation.
2. No later than April 1, 1990, the state council, in coordination with the Organization of Area Boards, shall report to the Legislature on the availability of appropriate services for people with Prader-Willi Syndrome. The report shall be based on client specific data collected by regional centers. The purpose of the report shall be to quantify, by regional center, all of the following:
   (a) The number served.
   (b) The number and frequency with which applicants are denied regional center services and the reasons for denials.
   (c) The residential placement arrangements of those served through regional centers.
   (d) The extent to which current placements are inappropriate to meet the needs of Prader-Willi clients.
   (e) The frequency and severity of problems that have resulted from lack of appropriate services.
   (f) The types and number of additional programs needed.
   (g) The costs of developing and operating these additional programs.

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The report shall, at a minimum, include recommendations with respect to eligibility determination procedures and criteria, the need for dietary programs to control obesity, and the need for additional programs designed specifically to meet the needs of Prader-Willi clients. The state council shall, in consultation with representatives of the Department of Developmental Services, regional centers, area boards on developmental disabilities, parents of Prader-Willi clients, and appropriate legislative staff, develop a questionnaire to gather client specific information needed to complete the April 1990 report.

All regional centers shall assist in the preparation of the report by submitting information in the format and according to timeliness specifications of the state council.

The Department of Developmental Services shall provide technical assistance, data processing, and other support services needed for the completion of the April 1990 report.

4110-001-001—For support of Area Boards on Developmental Disabilities 0

Schedule:

(a) 10-Area Board Services 2,417,000

(b) Reimbursements ..... −2,417,000

Provisions:

4120-001-001—For support of Emergency Medical Services Authority 1,014,000

Schedule:

(a) 10-Emergency Medical Services Authority 1,426,000

(b) Amount payable from the Federal Trust Fund (Item 4120-001-890).. −260,000

(c) Reimbursement ..... −152,000

Provisions:

1. The Emergency Medical Services (EMS) Authority shall use the following guidelines in administering state-funded grants to local agencies: (a) funding eligibility shall be limited to rural multicounty regions that demonstrate a heavy use of the EMS system by nonresidents, (b) local agencies shall provide matching funds of at least $1 for each dollar of state funds received, (c) state funding shall be used to provide only essential minimum services necessary

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	to operate the system, as defined by the authority, (d) no region shall receive both federal and state funds in the same fiscal year for the same purpose, and (e) the authority shall use a competitive process to award the funds and shall monitor the use of the funds by recipients to assure that these funds are used in an appropriate manner.	
	2. Each region shall be eligible to receive up to one-half of the total cost of a minimal system for that region, as defined by the authority. However, the authority may reallocate unclaimed funds among regions.	
	3. Notwithstanding Provision 1(b), regions with a population of 300,000 or less as of June 30, 1989, shall receive the full amount for which they are eligible if they provide a cash match of $0.41 per capita or more. Failure to provide local cash contributions at the specified level shall result in a proportional reduction in state funding. As a condition of receiving these funds, the authority shall require that these regions evaluate the feasibility of increasing their size by merging with other regions or adding more counties in the region. The authority shall submit information to the Legislature on the result of these evaluations by April 1, 1990.	
4120-001-890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-001, payable from the Federal Trust Fund		260,000
4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies		3,191,000
	Provisions:	
	1. The General Fund support for poison control centers shall augment, but not replace, local expenditures for existing poison control center services. These funds shall be used primarily to increase services to underserved counties and populations and for poison prevention and information services. The Director of the Emergency Medical Services Authority may contract with eligible poison control centers for the distribution of these funds.	
	2. Of the funds appropriated by this item, $334,000 shall be allocated as follows:	
	NorCal EMS	10,000

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North Coast EMS	110,000	
Sierra Sacramento EMS	53,000	
Inland Counties EMS	101,000	
Alpine Mother Lode EMS	60,000	
4120-101-890—For local assistance, Emergency Medical Services Authority, Program 10, payable from the Federal Trust Fund		1,493,000
4130-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund		69,024,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item, no sooner than 30 days after notification in writing to the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 11755 of the Government Code.
3. The Health and Welfare Agency Data Center shall use up to $100,000 of the funds appropriated under this item to support an existing telecommunications network which facilitates the delivery of services to hungry and homeless persons. The Health and Welfare Agency Data Center shall contract for this project without utilization of a competitive bidding process.

4140-001-001—For support of Office of Statewide Health Planning and Development		2,029,000
Schedule:		
(a) 100000-Personal Services	15,975,000	
(b) 300000-Operating Expenses and Equipment	11,089,000	
(c) 400000-Special Items of Expense	525,000	
(d) Reimbursements	−113,000	
(e) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121)	−17,093,000	

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(f) Amount payable from the California Health Data and Planning Fund (Item 4140-001-143)	−6,721,000	
(g) Amount payable from the Registered Nurse Education Fund (Item 4140-001-181)	−600,000	
(h) Amount payable from the Health Facilities Construction Loan Insurance Fund (Health and Safety Code Section 436.26)	−819,000	
(i) Amount payable from the Minority Health Professions Education Fund (Education Code Section 69800)	−214,000	
4140-001-121—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the Hospital Building Account, Architecture Public Building Fund		17,093,000
4140-001-143—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the California Health Data and Planning Fund		6,721,000
4140-001-181—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the Registered Nurse Education Fund		600,000
4140-101-001—For local assistance, Office of Statewide Health Planning and Development, for Health Professions Development (Family Physician Training)		2,880,000

Provisions:

1. Notwithstanding the provisions of Section 2.00 of this act, or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools, programs which train primary care physicians' assistants, as well as contracts with hospitals or other health care delivery systems located in California, which meet the standards of the Health Manpower Policy Commission established pursuant to Chapter 1 (commencing with Section 69270) of Part 42 of Division 5 of Title 3 of the Education Code, shall continue to be available for fiscal years 1990–91, 1991–92, and 1992–93. The amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1989.

Item		Amount
4170-001-001—For support of Department of Aging		4,803,967
Schedule:		
(a) 10-Nutrition	2,831,000	
(b) 20-Senior Community Employment Service.....	317,000	
(c) 30-Supportive Services and Centers.....	1,916,000	
(d) 40-Special Projects.....	4,692,000	
(e) 50.01-Administration	5,241,000	
(f) 50.02-Distributed Administration ..	−5,241,000	
(fx) 97.20.001—Unallocated Reduction	−75,354	
(g) Reimbursements...	−1,838,670	
(h) Amount payable from the Federal Trust Fund (Item 4170-001-890) ..	−3,038,009	
Provisions:		
1. The Director of the Department of Finance may authorize the transfer of funds between this item and Item 4170-101-001 no sooner than 30 days after written notification, to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine, of: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (4) the impact of any transfer on the level of services.		
2. Of the amount appropriated in this item, $166,000 shall be available for state administration of the Linkages program only if the program's sunset date as specified in Chapter 16 of the Statutes of 1988 is extended or deleted.		
4170-001-890—For support of Department of Aging, for payment to Item 4170-001-001, payable from the Federal Trust Fund		3,038,009
Provisions:		
1. The Director of the Department of Finance may authorize the transfer of funds between this item and Item 4170-101-890 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house		

Item		Amount
	and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine, of: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (4) the impact of any transfer on the level of services.	
	2. Of the amount appropriated in this item, the department shall allocate $80,000 to the activities of the Triple A Advisory Council of California.	
4170-101-001—For local assistance, Department of Aging		36,273,000
	Schedule:	
	(a) 10-Nutrition 62,393,000	
	(1) 10.10-Congregate nutrition 45,123,000	
	(2) 10.20-Home delivered nutrition 17,270,000	
	(b) 20-Senior Community Employment Service 5,175,000	
	(c) 30-Supportive Services and Centers (for match) 27,979,000	
	(d) 40-Special Projects 33,592,000	
	(e) Reimbursements ..... −12,482,000	
	(f) Amount payable from the Federal Trust Fund (Item 4170-101-890) .. −80,384,000	
	Provisions:	
	1. Provision 1 of Item 4170-001-001 is also applicable to this item.	
	2. Of the amount appropriated in this item, $1,950,000 shall be available for local assistance for the Linkages program only if the program's sunset date, as specified in Chapter 16 of the Statutes of 1988, is extended or deleted.	
	3. The department shall allocate slots for the Multipurpose Senior Services Program to the same providers and in the same number as were allocated in fiscal year 1988–89.	
	4. Of the funds appropriated in this item, $46,000 shall be used to continue the Respite Care Registries established by Chapter 1349 of the Statutes of 1986, for the period of January 1, 1990, through June 30, 1990, and to provide funding,	

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for the purchase of respite care services, to Linkages programs that did not operate a Respite Care Registry in 1988–89.

5. Of the amount appropriated by this item, $100,000 shall be used by the department, if necessary, to ensure that all Multipurpose Senior Services Programs (MSSP) are allocated sufficient funds to maintain a 40–1 client ratio for case management services.
6. New Alzheimer's day care resource center awards shall be allocated based on the following criteria: (1) demonstrated experience in providing services to functionally impaired adults; (2) demonstrated ability to coordinate community-based services which would benefit the client population and their families; (3) expansion and enhancement of programs with demonstrated experience where unmet need can be documented; and (4) geographic dispersion including, but not limited to, urban and rural sites.
7. Of the amount appropriated in this item, $2,000,000 shall be available to Alzheimer's Day Care Resource Centers for special grants to provide overnight, weekend, and in-home respite care or to provide amounts to subsidize the participation of low-income clients.

4170-101-890—For local assistance, Department of Aging, for payment to Item 4170-101-001, payable from the Federal Trust Fund 80,384,000

Provisions:

1. Provision 1 of Item 4170-001-890 is also applicable to this item.
2. Notwithstanding the provisions of Section 28.00(c) of this act, the Department of Finance upon notification by the Department of Aging may authorize augmentations in this item in excess of $100,000 for budget revisions submitted by Area Agencies on Aging and approved by the Department of Aging for estimated entitlements of per-meal reimbursements from the U.S. Department of Agriculture and for funds allocated to Area Agencies on Aging for federal Title III one-time-only allocations in accordance with Welfare and Institutions Code, Section 9315(c).

4180-001-001—For support of Commission on Aging.... 248,000

Item		Amount
Schedule:		
(a) 10-Commission on Aging	480,000	
(b) Amount payable from the Federal Trust Fund (Item 4180-001-890)	−232,000	
4180-001-890—For support of Commission on Aging, for payment to Item 4180-001-001, payable from the Federal Trust Fund		232,000
Provisions:		
1. The amount appropriated in this item shall not be reduced as a result of the reduction of funds for support of the Department of Aging, Item 4170-001-890.		
4200-001-001—For support of Department of Alcohol and Drug Programs		7,361,000
Schedule:		
(a) 10-Alcohol Program	8,658,000	
(b) 20-Drug Program	13,083,000	
(c) 30.01-State administration	7,068,000	
(d) 30.02-State administration—distributed	−7,068,000	
(e) Reimbursements	−977,000	
(f) Amount payable from the Federal Trust Fund (Item 4200-001-890)	−12,169,000	
(g) Amount payable from Drinking Driver Program Licensing Trust Fund (Item 4200-001-139)	−611,000	
(i) Amount payable from Methadone Program Licensing Trust Fund (Item 4200-001-243)	−523,000	
(j) Amount payable from Audit Repayment Trust Fund (Item 4200-001-816)	−100,000	
Provisions:		
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4200-101-001.		
4200-001-139—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Drinking Driver Program Licensing Trust Fund		611,000
4200-001-243—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Methadone Program Licensing Trust Fund		523,000

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4200-001-816—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Audit Repayment Trust Fund 100,000

4200-001-890—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Federal Trust Fund 12,169,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-101-890.

4200-101-001—For local assistance, Department of Alcohol and Drug Programs 85,421,000

Schedule:

(a) 10-Alcohol Program 74,975,000
(b) 20-Drug Program 113,432,000
(d) Reimbursements ..... −9,633,000
(e) Amount payable from the Federal Trust Fund (Item 4200-101-890) .. −93,353,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4200-001-001.
2. The Director of the Department of Finance may authorize the transfer of the local assistance state general fund appropriation between the alcohol program and the drug program for the purpose of meeting the intent of Sections 11814(b) and 11983.5(b) of the Health and Safety Code.
3. The Department of Alcohol and Drug Programs shall require counties to provide a local match for their S/CPPP funds from the schools or school districts participating in the program.
5. Of the amount appropriated by this item, payable from the Federal Trust Fund (Item 4200-101-890), $340,000 shall be for the Rural Residential Drug-Free Treatment Project.
6. The Department of Alcohol and Drug Programs shall require all local drug and alcohol treatment providers to (1) ask women whether they are pregnant and (2) give priority to pregnant women in providing services.
8. The Department of Alcohol and Drug Programs shall withhold and reallocate funds if a county

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does not submit its county alcohol and drug plan pursuant to Sections 11815 and 11983.1 of the Health and Safety Code. The amount withheld shall be 1/365 of the final county allocation of all state and federal funds for each day the plan is delinquent beyond November 15, 1989. Any funds withheld shall be reallocated to counties for the purpose of funding unmet needs.

9. The Department of Social Services, the Department of Health Services, and the Department of Alcohol and Drug Programs may award funds to local pilot projects for local planning and program startup. In order to receive continued funds, the lead department shall require local lead agencies, with the review and comment of the local perinatal substance abuse coordinating councils, to submit a plan for providing comprehensive services to program participants. The department shall allow local areas at least six weeks to develop this plan in response to the department's guidelines. The departments, through the Interagency Task Force on Perinatal Substance Abuse, shall complete their review and provide their assessment of each local area's plan within 45 days from when a plan is received. In order to be approved by the participating departments, the plan shall include, but not be limited to, the following:
   (a) How the local area proposes to address the guidelines developed by the department.
   (b) Letters from all agencies providing services to eligible program participants indicating their approval of the plan and stating their intent to develop interagency agreements.
   (c) The program's budget delineating planning, startup, and ongoing service costs.
10. Of the amount appropriated by this item, $12,000,000 shall be used to provide additional treatment slots and programs, particularly for opiate and cocaine addicted IV drug users.
11. The Department of Alcohol and Drug Programs is authorized to expend federal Alcohol and Drug Abuse and Mental Health Services block grant funds, pursuant to a waiver granted the state, for the construction of a new facility or rehabilitation of an existing facility, pursuant to Public Law 100-690, Section 2024,

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42 U.S.C., Section 300X-3 (b).

4200-101-890—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-001, payable from the Federal Trust Fund 93,353,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-001-890.
2. The Director of the Department of Finance may authorize the transfer of the Local Assistance Federal Block Grant Fund appropriation between the alcohol program and the drug program for the purpose of meeting the intent of Sections 11814(b) and 11983.5(b) of the Health and Safety Code.
3. The Department of Alcohol and Drug Programs and the State Department of Health Services shall pursue coordination of activities related to AIDS and intravenous drug users at the county level. This shall include, but not be limited to, encouraging each county's health officer and each county's drug program administrator to meet and confer on expenditure plans and addressing prevention and education activities related to AIDS and intravenous drug use.
4. Of the amount appropriated by this item, $340,000 shall be for the Rural Residential Drug-Free Treatment Project.
5. The Department of Alcohol and Drug Programs shall withhold and reallocate funds if a county does not submit their county alcohol and drug plan pursuant to Sections 11815 and 11983.1 of the Health and Safety Code. The amount withheld shall be 1/365 of the final county allocation of all state and federal funds for each day the plan is delinquent beyond November 15, 1989. Any funds withheld shall be reallocated to counties for the purpose of funding unmet needs.
6. The Department of Alcohol and Drug Programs shall direct counties to (a) examine the need for increased activities in the area of cocaine, crack-cocaine, and methamphetamine abuse and their relationship to the spread of AIDS, and (b) use any discretionary drug program funds for this need as appropriate.

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7. The Department of Alcohol and Drug Programs shall work with the Department of Social Services to provide child care services, in conjunction with treatment programs, and shall advise the fiscal committees of the Legislature and the Joint Legislative Budget Committee by February 1, 1990, of its progress in this endeavor. The Department of Alcohol and Drug Programs is authorized to use up to $500,000 of the funds appropriated by this item for this pupose.		
8. Of the amount appropriated by this item, $8,946,000 shall be expended for perinatal substance abuse pilot projects in Los Angeles, San Francisco, Sacramento, Kern, Alameda, San Diego, Orange, and Santa Clara Counties. Of this amount, $4,000,000 shall come from unmet needs funds.		
9. Of the funds appropriated in this item, $63,000 shall be transferred to, and is in augmentation of, Item 4200-001-890 and shall be used to establish one position for perinatal substance abuse projects.		
4220-001-001—For support of Child Development Programs Advisory Committee appointed pursuant to Section 8254 of the Education Code		245,000
4260-001-001—For support of Department of Health Services		160,537,639
Schedule:		
(a) 100000-Personal Services	192,809,237	
(b) 300000-Operating Expenses and Equipment	156,889,416	
(bx) 555000-Unallocated reduction	−4,249,000	
(c) Reimbursements	−9,576,000	
(d) Reimbursements (Toxics)	−3,071,000	
(dx) Amount payable from the General Fund (as reappropriated by Item 4260-001-001 of the Budget Act of 1988)	−900,000	
(dxx) Amount payable from the General Fund (Item 4260-111-001 of the Budget Act of 1988 as reappropriated by Item 4260-490 for support)	−271,000	
(dy) Amount payable from the General Fund (Item 4260-001-001 of the Budget Act of 1987 as reappropriated by Item 4260-490)	−200,000	

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(e)	Amount payable from the Hazardous Waste Control Account, General Fund (Item 4260-001-014)	−8,342,000
(f)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044)	−325,000
(g)	Amount payable from the Water Device Certification Special Account (Item 4260-000-129)	−118,000
(h)	Amount payable from the Vital Records Improvement Project Fund (Item 4260-001-137)	−4,325,000
(i)	Amount payable from the Food Safety Fund (Item 4260-001-177)	−2,812,000
(j)	Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-179)	−1,545,000
(jx)	Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-234)	−1,658,000
(k)	Amount payable from the Genetic Disease Testing Fund (Item 4260-001-203)	−26,602,000
(m)	Amount payable from the Sanitarian Registration Fund (Item 4260-001-335)	−132,000
(o)	Amount payable from the Hazardous Substances Account, General Fund (Item 4260-001-455)	−1,318,000
(p)	Amount payable from the Mosquitoborne Disease Surveillance Account (Item 4260-001-478)	−27,000
(px)	Amount payable from the Alzheimer and Related Disorders Reserve Fund (Item 4260-001-823)	−836,000
(q)	Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−4,364,000
(r)	Amount payable from the Federal Trust Fund (Item 4260-001-890)	−115,803,014

Item	Amount
(rx) Amount payable from the Federal Trust Fund (as reappropriated by Item 4260-001-890 of the Budget Act of 1988)	−348,000
(s) Amount payable from the Local Health Capital Expenditure Account (Item 4260-001-900)	−147,000
(sx) Amount payable from the General Fund (Chapter 1463, Stats. 1986)	−2,000,000
(t) Amount payable from the General Fund (Chapter 1177, Statutes of 1987)	−73,000
(u) Amount payable from the General Fund (Chapter 1282, Statutes of 1987)	−36,000
(v) Amount payable from the AIDS Vaccine Research and Development Grant Fund (Chapter 1462, Statutes of 1986, as redirected by Chapter 1316, Statutes of 1987)	−83,000

Provisions:

1. Funds for state services, administration, research and training projects as identified as Special Projects of the 1989–90 Governor's Budget, are hereby approved for expenditure. The Department of Health Services shall process a budget revision for each project through the Department of Finance prior to any expenditure of funds and shall provide notification pursuant to Section 28 for any new project or any increase in excess of $200,000.
2. Except as otherwise prohibited by law, the department shall promulgate emergency regulations to adjust the public health fees set by regulation to an amount, such that if the new fees were effective throughout the 1989–90 fiscal year, the estimated revenues would be sufficient to offset at least 95% of the approved program level intended to be supported by such fees. This provision shall not apply to the fees for shellfish certificates. For radioactive materials licenses, the approved program level shall be calculated based on the total approved program level less the portion of the total approved program level attributable to fee-exempt facilities.
3. Effective July 1, 1989, the annual fee for a gen-

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eral acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital and chemical dependency recovery hospital shall be $25.25 per bed. Effective July 1, 1989, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $117.48 per bed.

Department of Health Services fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 115 of the Health and Safety Code, added by Chapter 327 of the Statutes of 1982, shall be increased by 19.7 percent effective July 1, 1989.

Departmental fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 116 of the Health and Safety Code, as added by Chapter 327 of the Statutes of 1982, shall be decreased by 3.3 percent effective January 1, 1990.

Departmental fees subject to the annual fee increase provisions of subdivision (a) of Section 113 and subdivision (a) of Section 114 of the Health and Safety Code shall be increased 2.9 percent plus 0.5 percent for each 1 percent increase in employee compensation granted in the 1989 Budget Act.

The Director of Finance shall propose language to implement fee adjustments in the 1990 Budget Bill.

4. The Department of Health Services shall establish fees for the Neural Tube Defects program and the Newborn Screening program that are sufficient to cover the variable costs that may reasonably be attributed to providing services to each participant.
5. Notwithstanding any other provision of law, if federal administrative funds budgeted in Item 4260-001-890 are inadequate to fund costs incurred in the administration of the Refugee Medical Assistance Program provided to time eligible refugees, the department shall provide necessary funds to ensure adequate program administration.
6. Of the amount appropriated in this item, $200,000 shall be available for the implementation and maintenance of an asbestos registry program.

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7. Except for initial certifications and out-of-state inspections, environmental laboratory inspections conducted by the department shall be unannounced. Out-of-state inspections shall be allowed no more than 24-hours notice.
8. In order to expedite attainment of the goals established by Chapter 1177 of the Statutes of 1983, the department shall, as necessary, execute appropriate written agreements or memoranda of understanding with the low-level radioactive waste license designee.
9. The Department of Health Services shall provide quarterly progress reports on the Vital Records Improvement Project to the fiscal committees and the Joint Legislative Budget Committee of the Legislature. The quarterly reports shall include any changes in timing, costs or scope of the pilot project, and the results of each phase of the pilot project. The first quarterly report shall be due no later than September 30, 1989.

   The department shall undertake activities to improve the state vital records system outside the scope of the pilot project only after approval of a Feasibility Study Report by the Department of Finance. At least thirty days prior to the expenditure of any funds for conversion of old records or other activities not within the scope of the pilot project, the department shall submit to the fiscal committees and the Joint Legislative Budget Committee the following information: (1) an approved Feasibility Study Report, including information on the timing, costs and scope of the proposed activities, (2) the Request for Proposal, and (3) detailed information on how the proposed activities interact with the pilot project.
10. The Director of Health Services shall appoint one representative of primary care clinics and one minority community representative to the Executive Committee of the department's AIDS Leadership Committee. In addition, the director shall appoint three persons to the committee who shall represent minority communities, primary care clinics, and community-based organizations in rural areas. Minority

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representatives of the committee shall recommend to the director individuals from ethnic and racial minority groups who shall be appointed by the director to a 10-member Subcommittee on Minority AIDS Concerns.

The AIDS Leadership Committee shall hold two public hearings, one at a site in either northern or southern California on the topic of AIDS concerns in ethnic and racial minority communities, and one at a rural site to assess AIDS concerns in rural areas. The Subcommittee on Minority AIDS Concerns shall have the authority to conduct consultations on the impact of AIDS in minority communities and initiatives for the state to consider in dealing with these issues.

The AIDS Leadership Committee shall report to the fiscal committees and to the Joint Legislative Budget Committee by March 1, 1990, on the findings of the public hearings and consultations dealing with minority and rural community concerns with AIDS.

The department shall be responsible for reimbursing members of the subcommittee for travel, lodging, and expenses incurred in carrying out its responsibilities.

11. Of the amount appropriated in this Item, $1,000,000 shall be utilized for the continuation of the AIDS Vaccine Research and Development Grant Program.

13. It is the intent of the Legislature that the Department of Health Services and the Department of Social Services work with counties to reduce error rates in determining eligibility for AFDC and Medi-Cal by at least 0.5 percentage points. The Department of Health Services shall report to the Legislature, no later than March 1, 1990, on (1) error rates in each county and the AFDC and Medi-Cal costs resulting from eligibility errors in any counties whose error rate exceeds the statewide average; (2) efforts of both departments to work with counties whose error rates exceed the statewide average; and (3) an assessment of what, if any, additional resources would be necessary to reduce statewide error rates by 0.5 percent.

15. It is the intent of the Legislature that the De-

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partment of Health Services increase by 10 percent (a) recoveries of Medi-Cal payments from liable third parties, providers who have been overpaid, and probate cases where statute permits collection of funds expended for Medi-Cal services and (b) cost avoidance.

The department shall report to the Legislature, no later than March 1, 1990, on (1) its efforts to maximize Medi-Cal recoveries and cost avoidance; (2) a comparison of California's level of recoveries and cost avoidance, with levels in higher-ranking states; and (3) an assessment of what, if any, additional resources would be necessary to increase levels by 10 percent.

16. Of the amount appropriated in this item, $800,000 shall be for the purpose of initiating a program of epidemiological assessments of the incidence of cancer, as follows:
    (a) $400,000 for cancer risk factor monitoring, which includes environmental and occupational surveys and data collection, to be conducted by the California Tumor Registry.
    (b) $400,000 for studies by the Environmental Epidemiology and Toxics Section, utilizing data collected pursuant to the California Tumor Registry, as follows:
        (1) $200,000 to conduct special epidemiological studies, including evaluation of environmental agents that may cause cancer.
        (2) $200,000 for investigations of identified cancer clusters.
17. Of the amount appropriated in this item, $400,000 shall be expended by the department to add additional sanitarian positions in the public health contract-back program, two of which shall be assigned to the San Benito County Area.
18. Of the amount appropriated in this item, $1,000,000 shall be expended to expand and establish AIDS prevention programs in county jails pursuant to Chapter 1301, Statutes of 1988.
19. The department shall, in conjunction with the Department of Social Services and the Department of Alcohol and Drug Programs, provide

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guidance to providers regarding the most effective screening, testing, and referral practices so that (a) substance-abusing women are provided effective pregnancy-related care and (b) substance-exposed infants are provided appropriate health and social services.	
4260-001-014—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Hazardous Waste Control Account, General Fund	8,342,000
Provisions: 1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Waste Control Account, General Fund. 2. Upon the request of the Department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-014 and Item 4260-011-014 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
4260-001-044—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Motor Vehicle Account, State Transportation Fund	325,000
4260-001-129—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Water Device Certification Special Account, General Fund	118,000
4260-001-137—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Vital Records Improvement Project Fund	4,325,000
4260-001-177—For support of the Department of Health Services, Environmental Health Division, for payment to Item 4260-001-001, payable from the Food Safety Fund	2,812,000
4260-001-179—For support of the Department of Health Services, Division of Laboratories, for payment to Item 4260-001-001, payable from the Environmental Laboratory Improvement Fund	1,545,000
4260-001-203—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Genetic Disease Testing Fund	26,602,000

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Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Genetic Disease Testing Fund.	
4260-001-234—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	1,658,000
4260-001-335—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Sanitarian Registration Fund	132,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Sanitarian Registration Fund.	
4260-001-455—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Hazardous Substance Account, General Fund	1,318,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Substance Account, General Fund.	
2. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-455 and Item 4260-011-455 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.	
4260-001-478—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Mosquitoborne Disease Surveillance Account	27,000
4260-001-823—For support of the Department of Health Services, for transfer to Item 4260-001-001, payable from the California Alzheimer and Related Disorders Research Fund	836,000
4260-001-890—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Federal Trust Fund	115,803,014
Provisions:	
1. Limitations and conditions applicable to Item 4260-001-001 are also applicable to this item if appropriate.	

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2. Upon the request of the department and the approval of the Director of the Department of Finance, the Controller shall transfer between Item 4260-001-890 and Item 4260-011-890 those funds necessary to ensure that sufficient funds are available for the programs approved by this act.

4260-001-900—For support of Department of Health Services, in lieu of the amounts which would otherwise be appropriated in the Local Health Capital Expenditure Account of the County Health Services Fund pursuant to Chapter 1351, Statutes of 1980, for payment to Item 4260-001-001, payable from the Local Health Capital Expenditure Account 147,000

Provisions:

1. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Local Health Capital Expenditure Account.

4260-005-890—For support of Department of Health Services, payable from the Federal Trust Fund.... 284,880,000

Provisions:

1. Funds appropriated in this item shall be transferred to the Public Health Federal Fund.

4260-011-014—For support of Department of Health Services (Toxic Substances Control Division) 35,458,000

Schedule:

(a) 12.10-Site Mitigation.....	38,716,000
(b) 12.20-Permitting	14,360,000
(c) 12.30-Surveillance and Enforcement	14,576,000
(d) 12.40-Alternative Technology	13,288,000
(e) 12.50.010 -Program Direction and Support	17,905,000
(f) 12.50.020 -Distributed Program Direction and Support	−17,905,000
(g) Amount payable from Hazardous Waste Management Plan (Item 4260-011-428)	−1,015,000
(h) Amount payable from Hazardous Substance Account (Item 4260-011-455).....	−6,805,000
(i) Amount payable from Federal Trust Fund (Item 4260-011-890)..	−6,012,000

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(j)	Amount payable from Hazardous Substance Account (Item 4260-020-455)	−3,400,000
(k)	Amount payable from Federal Trust Fund (Item 4260-021-890)	−28,250,000

Provisions:

1. Notwithstanding subdivision (a) of Section 25353 of the Health and Safety Code, funds from the Hazardous Substance Account appropriated by this act may be used by the department to provide for state oversight of the abatement of hazardous waste sites located on property owned and operated by the federal government including federal military installations.
2. If a responsible party, or parties, pay(s) the department in advance for the state's costs incurred in monitoring responsible-party cleanups, funds budgeted in the Hazardous Substance Account shall not be spent unless the Legislature is provided 30 days' advance notice.
3. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Waste Control Account, General Fund.
4. Notwithstanding provision (b) of Section 1 of Chapter 1624, Statutes of 1988, the amount of money equal to the state's share of the responsibility shall not be transferred from the General Fund to the Special Account for Capital Outlay.
5. At least 30 days prior to the department's submittal to the Office of Administrative Law of proposed regulations regarding a permit-by-rule approach to permitting facilities which handle State-only wastes, a copy of the proposed regulations shall be submitted for review to the Assembly Committee on Environmental Safety and Toxic Materials, the Assembly Ways and Means Committee, the Senate Committee on Toxics and Public Safety Management, and the Senate Committee on Budget and Fiscal Review.

4260-011-428	For support of Department of Health Services (Toxic Substances Control Division), for payment to Item 4260-011-014, payable from the Hazardous Waste Management Planning Subaccount	1,015,000

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Provisions:	
1. Notwithstanding any other provision of law, the amount appropriated by this item is available for administrative support.	
4260-011-455—For support of Department of Health Services (Toxic Substances Control Division), for payment to Item 4260-011-014, payable from the Hazardous Substance Account, General Fund	6,805,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Substance Account.	
4260-011-890—For support of Department of Health Services (Toxic Substances Control Division), for payment to Item 4260-011-014, payable from the Federal Trust Fund	6,012,000
4260-020-455—For support of Department of Health Services (Toxic Substances Control Division), for payment to Item 4260-011-014, payable from the Hazardous Substance Account, General Fund	3,400,000
4260-021-890—For support of Department of Health Services (Toxic Substances Control Division), for payment to Item 4260-011-014, payable from the Federal Trust Fund	28,250,000
4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Health Care Deposit Fund (912) after transfer from the General Fund	3,348,999,000
Schedule:	
(a) 50.11-Benefits (Medical Care and Services) 6,570,648,000	
(b) 50.10-Eligibility (County Administration) 241,960,000	
(c) 50.50-Fiscal Intermediary Management 53,368,000	
(d) Amount payable from the Federal Trust Fund (Item 4260-101-890) ..... −3,454,414,000	
(e) Amount payable from Federal Trust Fund (Item 4260-103-890) .. −31,452,000	
(f) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50) ..... −31,111,000	
Provisions:	
1. After June 30, 1990, a transfer to the Health	

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	Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation incurred pursuant to this item. 2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any money recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code. 3. Notwithstanding any other provision of law, accounts receivable, for recoveries as described in Provision 2 above, shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund. Notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn. 4. Without regard to fiscal year, the General Fund shall make a loan available not to exceed a cumulative total of $45 million to be transferred as needed to the Health Care Deposit Fund to meet cash needs. Such loans are subject to repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of $45 million shall be processed in the manner prescribed by Section 16351 of the Government Code. 5. Notwithstanding any other provision of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation which could result in increased costs in the Medi-Cal program only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication which revises the Medi-Cal program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.	

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6. The reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.	
7. Of the funds appropriated by this item, up to $25,000 may be allocated for attorney fees pursuant to Section 10962 of the Welfare and Institutions Code without prior notification to the Legislature. Individual settlements authorized under this language are limited to no more than $5,000. The semiannual estimates of Medi-Cal expenditures due to the Legislature in January and May shall reflect attorney fees paid fifteen (15) or more days prior to the transmittal of the estimate.	
8. When a date for public hearing has been established for a change in any program, rule, or regulation, or the Department of Finance has approved any communication revising any department program, the two fiscal committees and the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is $1 million or more.	
9. Where regulations involve changes to the Medi-Cal Drug Formulary which could result in increased costs to the Medi-Cal program, it shall not be necessary for the Director of the State Department of Health Services to secure approval by the Department of Finance prior to the director's giving of public notice relative to the proposed or amended regulations. However, after the public hearing, the director shall submit those regulations which propose the addition of drugs to, or the deletion of drugs from, the Medi-Cal Drug Formulary to the Department of Finance for final approval prior to the submission of those regulations to the Office of Administrative Law for review and filing with the Secretary of State.	
11. Change orders to the medical or the dental fiscal intermediary contract for amounts exceeding a total cost of $250,000 shall be approved by the Director of Finance not sooner than 30	

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days after written notification of the change order is provided to the chairpersons of the fiscal and policy committees in each house and to the Chairperson of the Joint Legislative Budget Committee or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may designate. If there are changes or potential changes in federal funding, the Department of Finance shall provide timely written notification of the changes to the chairperson of the fiscal committee in each house and the Chairperson of the Joint Legislative Budget Committee.

12. Recoveries of advances made to counties in prior years pursuant to Section 14153 of the Welfare and Institutions Code are hereby reappropriated to the Health Care Deposit Fund for reimbursement of those counties where allowable costs exceeded the amounts advanced. Recoveries in excess of the amounts required to fully reimburse allowable costs shall be transferred to the General Fund. When a projected deficiency exists in the Medical Assistance Program, these funds, subject to notification to the Chairperson of the Joint Legislative Budget Committee, are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services, county administration, and fiscal intermediary services.
13. Amounts identified as abatements to the county medical services program for retroactive aid to the Totally Dependent Program claims shall be transferred from the Health Care Deposit Fund to the county medical services program without regard to fiscal year.
15. The department shall reimburse for adult day health care services at a daily rate of $45.85.
16. Hospital contract rate increases resulting from the additional $50,000,000 authorized by Chapter 981, Statutes of 1988, less the amount necessary to comply with the federal Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), as implemented by the State Medicaid Plan, shall be in addition to any other rate increases which hospitals would have received.
17. Upon prior federal approval and only for the

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purposes of implementing Section 4112 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), as implemented by the State Medicaid Plan, the department shall consider as separate acute inpatient hospital care days those days covered for delivery that are otherwise reimbursed by the Medi-Cal program as a "Common Day" for both the mother and newborn.

20. The Department of Health Services shall not promulgate regulations or take other action to reduce the dispensing fee for furnishing of prescription drugs under the Medi-Cal program below the level in effect on July 1, 1988.
21. None of the funds appropriated by this item shall be used for induced abortions. The exclusive means of paying for induced abortions shall be through the appropriation made in Item 4260-105-001.
22. Funds appropriated by this item for rate increases for disproportionate-share hospitals shall be distributed based on the method set forth in Chapter 976, Statutes of 1988.
23. The department shall continue to develop and maintain an educational and technical assistance program to assist physicians and surgeons in gaining knowledge in (a) Medi-Cal reimbursement, billing, and other related procedures, and (b) Medi-Cal fiscal intermediaries procedures to assist physicians in receiving Medi-Cal reimbursements. This program shall provide special assistance to physicians and surgeons who operate a small practice, such as a sole practitioner, or those with a practice located in a rural and medically underserved area. The department shall report to the fiscal committees of the Legislature by December 15, 1989, on the status of this program.
24. The department shall not expend any of the funds appropriated by this item and in Item 4260-101-890 for implementation of the Medicare Catastrophic Act until legislation that provides the necessary statutory authorization for implementation of the act is chaptered.
25. In the event that the department proposes to remove a single-source drug from the Medi-Cal Drug Formulary, the department shall estab-

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lish a special Treatment Authorization Request (TAR) process to ensure access to these single-source drugs. The department shall use the special TAR process when the department determines that both of the following conditions are met:

(a) The physician has considered the use of alternative drug products on the Formulary and has determined that they do not meet the needs of the patient because the patient has a medical condition which precludes alternative medications.

(b) The patient has a medical condition which will require drug therapy for a period of time which exceeds the normal TAR authorization period.

In these cases, the department shall issue a TAR which shall be valid for the entire time that the patient is eligible for Medi-Cal.

Formulary drugs used primarily for the treatment of AIDS or AIDS-Related Complex shall not be removed from the Medi-Cal Drug Formulary.

26. No funds appropriated by this item shall be expended for Medi-Cal reimbursement to any pharmacist-provider for the drug ingredient cost component at a rate that is higher than the lowest rate the pharmacist-provider charges any other third-party payor.

4260-101-890—For local assistance, Department of Health Services, for payment to Item 4260-101-001, payable from the Federal Trust Fund 3,454,414,000

Provisions:

1. Any provision from Item 4260-101-001 relevant to this item shall also be applicable to this item.

4260-103-890—For local assistance, for refugee services, Department of Health Services, for payment to Item 4260-101-001, payable from the Federal Trust Fund 31,452,000

4260-105-001—For abortions, Department of Health Services, Program 50.11—Medical Assistance Program, benefits, for transfer to the Special Financing Fund 14,485,000

Provisions:

1. This item shall be the sole source of general funds for abortions.

2. The expenditures of funds appropriated by this

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item for induced abortions shall be limited for persons eligible for the Medi-Cal program to the extent that federal matching funds are available for these purposes; except that, regardless of whether federal matching funds are available, funds may be provided for induced abortions for these persons under any of the following circumstances:

(a) Where the life of a woman would be endangered if the pregnancy were allowed to continue, and when so certified under penalty of perjury by two physicians, one of whom, where practicable, is a specialist in the affected medical discipline, and documentation thereof is provided with the claim for payment.

(b) Where the pregnancy results from an act punishable under Section 261 of the Penal Code, and this act has been reported, within 60 days of its occurence, to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs during the first trimester.

(c) Where the pregnancy results from an act punishable under Section 261.5 of the Penal Code, and the female is under 18 years of age, and the abortion is performed no later than the first trimester, provided that the female's parent or guardian or, if none, an adult of the female's choice, is notified at least five days prior to the abortion by the physician who performs the abortion. Regulations governing the notice requirement shall be promulgated by the Director of Health Services.

(d) Where the pregnancy results from an act punishable under Section 285 of the Penal Code, and this act has been reported to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs not later than during the second trimester.

(e) Where it is determined by prenatal studies limited to amniocentesis, fetal blood sampling, fetal angiography, ultrasound, X-ray,

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	or maternal blood examination that the woman will give birth to a child with severe genetic or congenital abnormality, and the abortion occurs not later than the second trimester.	
	3. (a) The provider's claim for payment for abortion services shall be accompanied by documentation which specifies the circumstances under which the abortion was performed. Claims without this documentation shall not be paid.	
	(b) In every case, prior to abortion, the provider shall make available to the woman appropriate counseling regarding the situation, complications, risks, benefits, and alternatives.	
	(c) By May 1, 1990, the Department of Health Services shall provide the Legislature a report listing the number of abortions theretofore paid for during the 1989–90 fiscal year pursuant to this act. The report shall specify the number of abortions performed under each category, and further specify the reasons or conditions within each category which qualified the particular pregnancy for the abortion and payment pursuant to this provision.	
	4. Nothing in this item shall be interpreted to prohibit payment for drugs or devices to prevent implantation of the fertilized ovum.	
	5 Limitation on payment for abortions provided for in this item shall apply only to abortions performed after August 15, 1989.	
	6. None of the funds appropriated by any other item in this act shall be used to pay for abortions.	
	7. The Controller shall place all funds appropriated by this item into the Special Financing Fund, which is hereby created. Henceforth, the director shall direct payment, and the Controller shall draw warrants for payments as allowed by this item, only from the Special Financing Fund.	
	8. As promptly as possible, the director shall notify providers and beneficiaries of the restrictions imposed by this item. The restrictions upon providers and beneficiaries shall become effective as soon as practicable after they receive notice	

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from the director.

9. If any provision of this item or the application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

4260-106-001—For local assistance, Department of Health Services, for cost-of-living increases to be transferred to, and in augmentation of, the respective appropriations by the State Controller upon enactment in accordance with the following schedule:

Schedule:

(a) 50.11-Benefits (Medi-Cal Care and Services), for transfer to Item 4260-101-001 123,555,000

4260-106-890—For local assistance, Department of Health Services, for cost-of-living increases to be transferred to, and in augmentation of the respective appropriations by the State Controller upon enactment in accordance with the following schedule. 123,021,000

Schedule:

(a) 50.11-Benefits (Medical Care and Services) (for transfer to Item 4260-101-890) 123,021,000

4260-111-001—For local assistance, Department of Health Services 1,291,314,354

Schedule:

(a) 11-Preventive Medical Services ... 9,454,000
(b) 15-AIDS 107,287,000
(c) 20-Family Health Services 150,590,000
(d) 40-Rural and Community Health 1,023,983,354

Provisions:

1. Program 11-Preventive Medical Services: Of the funds appropriated in this item, $330,000 shall be available as a cost-of-living adjustment for the Dental Disease Prevention Program.
2. Program 15-AIDS:
   (a) The Office of AIDS, in allocating and processing contracts and grants, shall comply with the same requirements as are established for contracts and grants for other public health programs. Specifically: (1) the

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office shall develop request-for-proposals which include the standards pursuant to which the proposals will be evaluated; (2) the office shall use an evaluation and selection committee consisting of persons with expertise in reviewing proposals; (3) it may negotiate the terms and conditions of the contracts and grants; (4) it may reject any and all contracts or grants; and (5) it shall publish a timetable and develop appropriate outreach efforts to assure that the request for a proposal reaches appropriate recipients of funds. The contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of Finance and the State Department of General Services prior to their execution.

(b) During hearings on the 1990–91 fiscal year Budget, the department shall present an analysis of the advantages and disadvantages of incorporating the treatment program for HIV infected children into the California Children's Services Program.

By January 1, 1990, the department shall project the costs of treating HIV infected children. To the extent that costs are less than the $1,100,000 budgeted for that purpose, the department shall reallocate the funds for noninstitutionalized treatment services for persons with AIDS or ARC.

(c) The Department of Health Services shall permit the San Francisco Health Department to consolidate state grants into a Consolidated AIDS Fund for the provision of AIDS services in San Francisco. The Consolidated AIDS Fund shall base grants on a state approved local plan developed with the participation of the community. The department shall not deny community-based agencies who wish to participate in the Consolidated AIDS Fund from applying for other AIDS funds from the department.

(d) Of the amount appropriated in this item, $40,000,000 shall be allocated for early AIDS intervention including AZT, aerosol penta-

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midine, and other medications approved for treatment of HIV, and medical, behavioral, and psychosocial services.

(e) Of the amount appropriated in this item, $10,000,000 shall be allocated for AIDS testing, counseling, and street-outreach in communities with high IV drug use.

(f) Of the amount appropriated in this item, $200,000 shall be expended for operating expenses of the AIDS hospice facility in South Central Los Angeles.

(g) Of the funds appropriated in this item, $111,000 shall be allocated to the Prevention and Education Grant Program in Sonoma County in addition to expected 1989–90 awards.

(h) Of the amount appropriated in this item for the Alternative Test Site Program, $13,800 is redirected for an AIDS Pilot Care Project located in Mendocino County. This funding is in addition to any contract approved by the Office of AIDS for an AIDS Pilot Care Project in Mendocino County in the 1989–90 fiscal year.

(i) Of the funds appropriated in this item, $250,000 shall be available for an operating grant for an AIDS hospice on the grounds of Metropolitan State Hospital.

(j) The department shall develop and distribute, by March 31, 1990, a brochure for providers which outlines the alternatives available for HIV testing, including instructions on how to order and interpret tests.

(k) Of the amount appropriated in this item, $12,000,000 shall be allocated for targeted case management, home health, hospice, and residential care.

(*l*) The department shall expand outreach and testing to high-risk populations and encourage counties to expand testing in Sexually Transmitted Disease clinics, drug treatment centers, primary care and family planning clinics, and through street outreach programs.

3. Program 20-Family Health Services:

(a) Funds appropriated in this item for services to physically handicapped children shall be

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used in accordance with provisions of Article 2 (commencing with Section 248) of Chapter 2 of Division 1 of the Health and Safety Code, provided that any person who is eligible for and is receiving services under the program funded by this item shall not be denied services or suffer an interruption of services because of any relocation within this state.

(b) Collections of family repayments by CCS and GHPP in excess of the appropriation for family repayments shall be used to offset the General Fund appropriation to those programs.

(c) The CCS Program shall require all CCS applicants who are potentially eligible for cash grant public assistance to apply for Medi-Cal eligibility prior to becoming eligible for CCS funded services, unless the individual declines to apply on the basis of known ineligibility under state law and the regulations promulgated thereunder

(d) As a condition of receiving General Fund support from the Maternal and Child Health program, contractors shall bill the Medi-Cal program for services provided to Medi-Cal eligibles.

(e) The department shall revise its regulations governing the Child Health and Disability Program in order to begin serving low-income children up to age six to the extent funds are available.

(g) Of the funds appropriated in this item, the department shall use the following amounts for the purposes specified:

(1) $274,000 for transfer to, and augmentation of, Item 4260-001-001 for evaluation of perinatal substance abuse pilot projects.

(2) $200,000 for transfer to, and augmentation of, Item 4260-001-001 for a contract for the development of a statewide perinatal plan to meet the Surgeon General's Objectives for the Year 2000 on Infant Mortality. The plan shall be submitted to the fiscal committees of the Legislature and the Joint Legisla-

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tive Budget Committee by June 30, 1990.

(h) The department, in conjunction with submission of the Governor's Budget, shall report to the Joint Legislative Budget Committee and the fiscal committees of the Legislature on the level of federal Maternal and Child Health funds and funds allocated for the community-based perinatal services program available for expenditure for the remainder of the fiscal year. To the extent the amount available exceeds expenditure levels for the year, the department shall submit an expenditure plan no later than 30 days after submission of the Governor's Budget for those funds available for expenditure during both the current and budget years. The Department of Finance shall submit a letter pursuant to Section 28.00 of this act to provide for the purposes in the expenditure plan for the current year no sooner than 30 days and no later than 60 days after submission of the plan to the Legislature.

(i) The augmentation for the Adolescent Family Life Program shall be used as follows: the first priority shall be to ensure a maintenance of effort for existing programs; the second priority shall be to increase services addressing black infant mortality and other high-risk infant populations.

4. Program 40-Rural and Community Health:

(a) The reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.

(b) Amounts identified as abatements to the county medical services program for claims for retroactive aid to the totally disabled shall be transferred from the Health Care Deposit Fund to the county medical services program without regard to fiscal year.

(c) Funds appropriated for medically indigent services in independent counties shall be

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spent to preserve or provide reasonable access to both inpatient hospital care and outpatient care.

Outpatient care includes reasonable access, as determined by the State Department of Health Services, to physician's services through county outpatient clinics, nonprofit community outpatient clinics, or other arrangements, the Medi-Cal formulary of prescription drugs, and acute dental care. The department may withhold this funding for any county for which it makes a finding that the funding is not necessary to preserve or provide reasonable access to both inpatient hospital care and outpatient care. The department shall withhold approval if it makes a finding that the county will not be in compliance with state statutory requirements governing eligibility, advance payment of patient liability, or notices.

(d) To the extent savings are available from the County Health Services Fund, the director shall allocate the funds according to the following priorities:

(1)	Public Health Emergencies.....	315,000
(2)	Distressed County Facilities, as defined in Section 16715 of the Welfare and Institutions Code.	470,000
(3)	Refugee Health Programs	245,000
(4)	Computerization of County Information.....	535,000
(5)	County-Clinic Linkages	130,000
(6)	Elder Care Projects.....	505,000
(7)	Medication Education Program for Seniors	250,000

If the funding applications of local jurisdictions request fewer funds from one category than the amounts set forth above, the director may reallocate funds from one category to another. However, in reallocating funds, the director shall first consider the need for additional funds in the categories in the order of priorities listed above. If there are insufficient savings to fully fund the categories, the director shall make pro-

Item	Amount
portionate reductions to each category. (e) Of the funds appropriated in this item, $50,000 shall be available for a management assistance grant to the Hupa Health Association to conduct a health care needs assessment. (f) Of the amount appropriated in this item, $500,000 shall be made available as a one-time grant to Alameda County to compensate for major health care service disruptions due to the closure of Maxicare clinics. (g) Of the funds appropriated in this item, $200,000 is appropriated to provide startup funding for a nonprofit organization to develop a Medi-Cal primary care case management plan to be operated in the City of Fresno.	
4260-111-137—For local assistance, Department of Health Services, payable from the Vital Records Improvement Project Fund.....	600,000
4260-111-890—For local assistance, Department of Health Services, payable from the Federal Trust Fund.....	25,872,000
Schedule: (a) 20-Family Health Services ..... 25,287,000 (b) 40-Rural and Community Health. 585,000	
Provisions: 1. Subdivisions (a) and (c) of Provision 3 of Item 4260-111-001 are also applicable to this item.	
4260-113-890—For local assistance, Department of Health Services payable from the Federal Trust Fund.....	10,806,000
Provisions: 1. Of the amount appropriated in this item, the department shall use the following amount for the following purposes: a. $1,000,000 for various Sudden Infant Death Syndrome projects including development of a SIDS autopsy protocol, support services and training for county health officials, public health nurses and law enforcement, family intervention services, parent advisory groups and data assessment. b. $1,000,000 for the provision of information, education, and referral services about sexually transmitted diseases to individuals seeking services through programs administered by the	

Item	Amount
Maternal and Child Health Branch.	
c. $1,440,000 for new and innovative projects to reduce the rate of black infant mortality in California. Of this amount, $140,000 may be used to establish one position and support a Black Infant Mortality Committee, and $650,000 shall be used for outreach in Los Angeles housing projects.	
e. $1,800,000 to expand the Adolescent Family Life Program, with priority given to projects targeting black infant mortality. Of this amount, $150,000 may be used to establish three positions to administer the program.	
f. $200,000 for the expansion of the Childhood Injury Prevention and Control Program. From this amount, the department may establish one support position.	
g. $1,500,000 to expand the High-Risk Infant Followup program.	
h. $740,000 for the Diabetes in Pregnancy Program, of which $360,000 shall be used to establish three new regions, with priority given to those targeting black infant mortality, $105,000 to replace SPRANS funds for program evaluation; $100,000 to fund growth in the existing eight regional programs; $35,000 for program education materials; $10,000 for California Diabetes and Pregnancy Program state liaison activities; $80,000 for affiliate development materials and training; and $50,000 for affiliate administrative support.	
i. $141,000 to establish three positions to support the Comprehensive Perinatal Services Program.	
j. $135,000 for transfer to, and augmentation of, Item 4260-001-890 to fund a study to determine outcome measures suitable to evaluate pediatric critical care systems and improving medical care for children.	
m. $2,760,000 for implementation of nine perinatal substance abuse pilot projects in Los Angeles, San Francisco, Kern, Sacramento, Orange, San Diego, Alameda, and Santa Clara counties.	
n. $90,000 shall be transferred to, and is in augmentation of, Item 4260-001-890 to develop a brochure on the risks and benefits of a Caesarean delivery versus a vaginal delivery. This brochure shall be available for distribution to all pregnant women.	

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o. It is the intent of the Legislature that additional activities be undertaken by the department to reduce the abnormally high mortality rate among black infants.

There shall be established in the department a Black Infant Mortality Leadership Committee. The following members shall be appointed by and serve at the pleasure of the Governor: the Director of Health Services (or designee); the Director of Maternal and Child Health; the Director of Alcohol and Drug Abuse (or designee); the Director of Social Services (or designee); a California County Supervisor (or designee); two local public health officers (or their designees); and a health care professional. The following members shall be appointed by and serve at the pleasure of the Speaker of the Assembly: a member of the State Assembly (or designee); two members of the Black Community Coalition; a consumer or member of a consumer advisory group; a member of the religious community, a health care professional; a pediatrician; and an obstetrician/gynecologist. The following members shall be appointed by and serve at the pleasure of the Senate Rules Committee: a member of the State Senate (or designee); two members of the Black Community Coalition; a consumer or member of a consumer advisory group, a member of the religious community; a health care professional; a pediatrician; and an obstetrician/gynecologist. The Superintendent of Public Instruction (or designee) shall also be a member of the committee.

The Black Infant Mortality Leadership Committee shall meet as frequently as necessary but no less than six times a year in order to conduct its business. It shall provide advice to and shall be consulted by the department on the establishment of policies, procedures, and programs designed to eliminate the disparity between the black and non-black populations in infant mortality. On or before January 1, 1991, the committee shall develop and present to the Legislature and Governor information which evaluates current programs; assesses current and ongoing needs; contains legislative, programmatic, and

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funding strategies; and make specific program recommendations regarding the elimination of the disparity between the black and non-black populations in infant mortality.

Of the funds appropriated in this item, $140,000 shall be used to support a Black Infant Mortality Leadership Committee and its efforts in producing the information.

2. Subject to approval by the lead department, the departments of Social Services, Health Services, and Alcohol and Drug Programs may award funds to local pilot projects for local planning and program startup. In order to receive continued funds, the lead department shall require local lead agencies, with the review and comment of the local perinatal substance abuse coordinating councils, to submit a plan for providing comprehensive service to program participants. The department shall allow local areas at least six weeks to develop this plan in response to the department's guidelines. The departments, through the Interagency Task Force on Perinatal Substance Abuse, shall complete their review and provide their assessment of each local area's plan within 45 days from the date when a plan is received. In order to be approved by the participating departments, the plan shall include, but not limited to, the following:
   (a) How the local area proposes to address the guidelines developed by the department.
   (b) Letters from all agencies providing services to eligible program participants indicating their approval of the plan and stating their intent to develop interagency agreements.
   (c) The program's budget, delineating planning, startup, and service costs.
3. To the extent that funds allocated under particular category in this item are in excess of the need in that category, the department may transfer funds to another category in this item no sooner than 30 days after written notification is provided to the Joint Legislative Budget Committee.

Upon approval of the Department of Finance, the department may transfer funds to Item 4260-001-890 for staff and related costs needed to support the augmentations contained in this item.

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4260-116-001—For cost-of-living increases, Department of Health Services, to be transferred to and in augmentation of Item 4260-111-001, upon approval of the Department of Finance, in accordance with the following schedule 20,328,983

Schedule:

(a) 40-Rural and Community Health. 20,328,983

4260-121-001—For local assistance, Department of Health Services, Program 11.20, Chronic Diseases (Alzheimer's Program) 8,564,000

Provisions:

1. Of the amount appropriated in this item, $500,000 shall be used to provide startup funds for two new diagnostic and treatment centers, $330,000 shall be used to supplement the funding for the three new centers established in the 1988–89 budget to bring them up to $350,000 per center, $150,000 shall be available to transfer to Item 4260-001-001 for administrative costs incurred by the department to monitor and evaluate the centers, $300,000 shall be used to fund innovative projects on a competitive bid basis, and $3,720,000 shall be used to fund new Alzheimer's research grants and proposals.
2. All existing Diagnostic and Treatment Centers shall be funded at a $350,000 level for the 1989–90 fiscal year. The department shall encourage all centers to maximize third-party reimbursements.

4260-301-036—For capital outlay, Department of Health Services, payable from the Special Account for Capital Outlay 322,000

Schedule:

(1) 94.50.010-Minor Capital Outlay 208,000

(2) 94.80.015-Los Angeles: Laboratory Renovation—Preliminary plans... 114,000

4260-490—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the following appropriations are reappropriated, for the purposes specified and in the amount specified, and shall be available for encumbrance and expenditure until June 30, 1990, except as otherwise specified:

001—General Fund

(1) For state support of AIDS programs, the unencumbered balance of the amount appropri-

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ated by Item 4260-001-001 of the Budget Act of 1988. These funds shall be reappropriated for support of one or more of the following programs: (a) prevention and education, (b) pilot care projects, (c) early intervention services, and (d) new and innovative projects. Emphasis shall be placed on programs involving intravenous drug users, minorities, and persons engaged in high-risk behaviors who are served in publicly funded clinics. Special consideration shall be given to AIDS programs that are continuing their contracts with the Office of AIDS and which have experienced funding reductions.

The department shall report to the Legislature by September 30, 1989, on the expenditure plans for these funds. To the extent these funds are not needed for state support, they shall be reappropriated for AIDS local assistance activities in the above four categories.

(2) For state support of human clinical trials for AIDS vaccine research, $2,000,000 of the $6,000,000 appropriated for that purpose by Chapter 1463 of the Statutes of 1986.

(3) Item 4260-111-001, Budget Act of 1988. For support of a Lyme Disease Surveillance and Prevention Program, $572,000 of the amount originally appropriated for Systemic Lupus Erythematosus (Lupus) research activities, to be expended as follows:
   (a) $271,000 for fiscal year 1989–90, as scheduled in Item 4260-001-001 of this act.
   (b) $301,000 for fiscal year 1990–91.

(4) Any unexpended funds remaining from the 1987–88 and 1988–89 fiscal years for the implementation of the blood platelet study defined in Chapter 1421 of the Statutes of 1987 shall be available for encumbrance and expenditure in the 1989–90 fiscal year.

(5) For state support for the AIDS Medi-Cal Waiver Program, the unencumbered balance of the amount appropriated for that purpose by Item 4260-001-001 of the Budget Act of 1988.

(6) Item 4260-001-001, Budget Act of 1988. For support of the Sickle Cell Screening Program, $200,000 for computer equipment acquisition.

(7) Item 4260-001-001, Budget Act of 1988. For

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support of the California Birth Defects Monitoring Program, $200,000 for interview studies on gastroschisis and neuraltube defects.

890—Federal Fund

(1) For support of the low-level radioactive waste repository, the balance of the appropriation for that purpose in Item 4260-001-890 of the Budget Act of 1988, to be available for expenditure until June 30, 1990.

4260-491—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the following appropriations are reappropriated, for the purposes specified and in the amount specified, and shall be available for encumbrance and expenditure until June 30, 1990:

001—General Fund

(1) For local assistance for the AIDS Medi-Cal Waiver Program, the unencumbered balance of the amount appropriated for that purpose by Item 4260-111-001 of the Budget Act of 1988.

(1.5) For local assistance for AIDS programs, the unencumbered balance of the amount appropriated by Item 4260-111-001 of the Budget Act of 1988. These funds shall be reappropriated for local assistance expenditures in one or more of the following programs: (a) prevention and education, (b) pilot care projects, (c) early intervention services, and (d) new and innovative projects. Emphasis shall be placed on programs involving intravenous drug users, minorities, and persons engaged in high-risk behavior who are served in publicly funded clinics. Special consideration shall be given to AIDS programs that are continuing their contracts with the Office of AIDS and who have experienced funding reductions.

(2) For local assistance for AIDS Medi-Cal Waiver Program, the unencumbered balance of the amount appropriated for that purpose by Item 4260-111-001 of the Budget Act of 1988.

(3) For support of the McFarland Community Health Center, the unexpended balance identified for that purpose in Item 4260-111-001 of the Budget Act of 1988.

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4260-492—Reappropriation, Department of Health Services. The balance of the appropriation provided in the following citation is reappropriated for the purposes provided in Schedules (a), (c) and (d) of Section 7 of Chapter 1439, Statutes of 1985, and shall be available for encumbrance and expenditure until June 30, 1990:

710—Hazardous Substance Cleanup Fund

For support, as appropriated by Item 4260-011-710 of the Budget Act of 1988.

4260-493—Reappropriation, Department of Health Services. The balance of the appropriation provided in the following citation is reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriation.

036—Special Account for Capital Outlay:

Item 4260-301-036, Budget Act of 1988:

(2) 94.70.045-Berkeley: Additional Space and Renovation-Preliminary Plans.

Provisions:

1. (a) The funds appropriated in this item shall be available only for purposes of preliminary plans and a value engineering study for the expansion and remodeling of the Berkeley Public Health Laboratory. The Director of Health Services shall notify the chairs of the Joint Legislative Budget Committee and the fiscal committees of each house on or before November 1, 1989, of the department's progress in developing the preliminary plans and value engineering study, including a schedule for their completion. If the preliminary plans and value engineering study will not be completed by February 1, 1990, the director shall specify the reasons why and how he or she intends to expedite their completion.

(b) In the event that the department continues to develop plans to move positions from this or any other Berkeley-area location to Sacramento in a manner which undermines the effectiveness of, or slows the progress of, existing programs, this authorization shall be rescinded and the funds shall revert to the General Fund.

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4260-496—Reversion, Department of Health Services. As of June 30, 1989, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.		
036—Special Account for Capital Outlay:		
Budget Act of 1987, Item 4260-301-036:		
(2) 94.80.015—Los Angeles: Acquisition of Laboratory—Acquisition.		
4270-001-001—For support, California Medical Assistance Commission		959,000
Schedule:		
(a) 100000-Personal Services	1,440,000	
(b) 300000-Operating Expenses and Equipment	478,000	
(c) Reimbursements	−959,000	
4300-001-001—For support of Department of Developmental Services		14,211,000
Schedule:		
(a) 10-Community Services Program.	14,005,000	
(b) 20-Developmental Centers Program	8,173,000	
(c) 35.01-Administration	17,539,000	
(d) 35.02-Distributed Administration	−17,539,000	
(e) Reimbursements	−945,000	
(f) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-172)	−206,000	
(g) Amount payable from the Federal Trust Fund (Item 4300-001-890)	−6,816,000	
Provisions:		
1. Under order of the Director of Finance, the State Controller shall transfer funds as are necessary between this item and Item 4300-101-001 to provide for the continuing costs of fair hearings.		
4300-001-172—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Developmental Disabilities Program Development Fund		206,000
4300-001-890—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Federal Trust Fund		6,816,000
Provisions:		
1. Upon order of the Director of the Department of Finance, the State Controller shall transfer		

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such funds as are necessary between this item and Item 4300-003-890.		
2. Any provision of Item 4300-001-001 relevant to this item shall be applicable to this item also.		
4300-002-001—For support of Department of Developmental Services, for the purpose of a report to the Legislature which shall include (1) written notification of approval of the State Plan and written assurances of eligibility for federal reimbursement for case management services under the Medicaid/Case Management Program (Title XIX) as allowed under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, (2) approval of a request pursuant to Section 27.00 of this act, or (3) confirmation that federal funds for case management services are budgeted as revenue and not as reimbursements to regional centers		6,600,000
Schedule:		
(a) 10-Community Services Program	4,158,000	
(b) 20-Developmental Centers Program	2,442,000	
Provisions:		
1. Upon order of the Director of Finance, the State Controller shall transfer the funds appropriated in this item to, and in augmentation of, Item 4300-001-001, no earlier than 30 days after (a) written notification of approval of the State Plan and written assurances of eligibility for federal reimbursement for case management services under the Medicaid/Case Management Program (Title XIX) as allowed under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, (b) notification of the Department of Finance's intent to approve a request pursuant to Section 27.00 of this act is received by the Joint Legislative Budget Committee, or (c) notification by the Department of Finance that federal reimbursements for case management services are budgeted as revenue and not as reimbursements is received by the Joint Legislative Budget Committee.		
4300-003-001—For support of Department of Developmental Services, for Developmental Centers		38,217,000

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Schedule:		
(a) 20-Developmental Centers Program		527,143,000
(b) Reimbursements		−482,710,000
(c) Amount payable from the Federal Trust Fund (Item 4300-003890)		−856,000
(e) Amount payable from the Lottery Education Fund (Item 4300-003-814)		−1,360,000
(f) Amount payable from Special Account for Capital Outlay (Item 4300-003-036)		−4,000,000

Provisions:

1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 4300-101-001 and 4440-011-001.
2. The General Fund shall make a loan available to the Department of Developmental Services not to exceed a cumulative total of $100 million. The loan funds will be transferred to this item as needed to meet cash flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and subject to the repayment provisions of Section 16351 of the Government Code.
3. Of the amount appropriated in Schedule 20, $81,500 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.
4. It is the intent of the Legislature that the Department of Developmental Services shall utilize funds appropriated by this item to maintain, at a minimum, its current level of staff employed in accordance with Sections 12000 to 12005, inclusive, of the Unemployment Insurance Code.

4300-003-036—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Special Account for Capital Outlay 4,000,000

4300-003-814—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Lottery Education Fund 1,360,000

Provisions:

1. All funds received pursuant to Proposition 37

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that are allocable to the Department of Developmental Services pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. These additional funds may be expended only upon written approval of the Director of Finance.

4300-003-890—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Federal Trust Fund 856,000

Provisions:

1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-001-890.

4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers..... 529,624,000

Schedule:

10.10-Regional Centers

(a)	10.10.010-Operations.....	149,103,000
(b)	10.10.020-Purchase of services.....	409,134,000
(c)	10.20.010-Program Development..	2,114,000
(d)	10.20.030-Cultural Center for the Handicapped.....	146,000
(e)	Reimbursements.....	−27,458,000
(f)	Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-172).....	−3,415,000

Provisions:

1. Upon order of the Director of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item, and Item 4300-003-001. Provided further, that the Director of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the state's share of expenditures for developmental services provided to persons eligible under the California Medical Assistance Program.
2. (a) In order to ensure that services to eligible clients are available throughout the contract period, it is the intent of the Legislature in enacting this provision that each regional center administer the contract within the level of funding available pursu-

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ant to Sections 4621 and 4633 of the Welfare and Institutions Code and this act. If additional funds are appropriated by the Legislature, the Department of Developmental Services shall revise the contract amounts. The regional centers shall then administer the contracts within the revised contract amounts.

To carry out the intent of this provision, each regional center contract shall include provisions which ensure the regional center will provide services to eligible clients within the funds available in the contract throughout the contract term. If the regional center or the Director of Developmental Services determines that there are insufficient funds in a regional center contract for the provision of client services, the regional center shall continue to administer the contract within the funds provided and report to the Director of the Department of Developmental Services on the type, amount, and costs of client services which cannot be provided directly or through purchase because of insufficiency of funds. The director of the department shall use these data in preparing reports pursuant to subdivision (c) of Section 4631 and Section 4779 of the Welfare and Institutions Code, and subdivision (b) of this provision.

The regional center shall develop a written plan which specifies how the center intends to address the funding deficiency. If at any time the director of the department determines that a regional center's plan does not adequately address the funding deficiency during the contract period, the director may require the use of operational funds to reduce the deficiency in purchase of services.

(b) The Director of Developmental Services shall report on the financial status of all regional centers and their operations to the Joint Legislative Budget Committee by February 15, 1990, and May 15, 1990. The reports shall:

(1) Identify all projections of regional cen-

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ter budget deficits during the reporting period.

(2) Analyze the accuracy of each identified deficit projection.

(3) Analyze the feasibility of eliminating the projected deficits by reductions in expenditures, reallocations of appropriated funds and budget augmentation.

(4) Indicate the actions planned to eliminate the projected deficits, including a description of the impact of such actions on the receipt of services needed by regional center clients during the remainder of the fiscal year.

3. Upon order of the Director of the Department of Finance, the State Controller shall transfer funds as are necessary between this item and Item 5160-101-001, to provide for the conversion of Day Programs, Supported Work Programs and Work Activity Programs to meet client service needs.
4. Any funds available from cost-of-living adjustments in the Supplemental Security Income/State Supplementary Program (SSI/SSP) shall be used to offset General Fund costs for residential care services.
5. A loan shall be made available from the General Fund to the Department of Developmental Services not to exceed a cumulative total of $12,000,000. The loan funds shall be transferred to this item as needed to meet cash-flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and is subject to the repayment provisions of Section 16351 of the Government Code.
6. Any federal Medicaid funds received for Targeted Case Management activities shall be treated as a revenue to the General Fund.
7. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 5160-001-001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work

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Activity Program (VR/WAP) Transition program.

8. The department shall not require any regional center to transfer funds from operations to purchase of services before notifying the chairpersons of the Joint Legislative Budget Committee and the legislative fiscal committees within 30 days of the date it approves a transfer plan.

4300-101-172—For local assistance, Department of Developmental Services, for payment to Item 4300-101-001, payable from the Developmental Disabilities Program Development Fund 3,415,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Department of Developmental Services in excess of the amount appropriated, no sooner than 30 days after notification in writing of the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

4300-301-036—For capital outlay, Department of Developmental Services, payable from the Special Account for Capital Outlay 1,284,000

Schedule:

(1) 55.10.205-Minor Projects 1,093,000

(2) 55.65.300-Statewide: DD Units Personal Alarm Systems, Phase I and II-Additional Construction 191,000

4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, the balance of the appropriations provided in the following citations is reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1990:

General Fund:

(1) Item 4300-101-172, Budget Act of 1987, $500,000, Program Development Funds for Intermediate Care Facilities/Developmentally Disabled-Nursing (ICF/DD-N).

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4300-491—Reappropriation, Department of Developmental Services. The balances of the appropriations provided for in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations.		
036—Special Account for Capital Outlay:		
Item 4300-301-036, Budget Act of 1987:		
(8) 55.65.100-Statewide: DD Units Personal Alarm Systems, Phase I-Preliminary Plans, Working Drawings, and Construction		
Item 4300-301-036, Budget Act of 1988:		
(2) 55.20.260-Camarillo: Fire and Life Safety and Environmental Improvements, Units 18, 19, 30, 31, 32, and 33-Construction		
(3) 55.20.270-Camarillo: Fire and Life Safety and Environmental Improvements, Units 20, 21, 22, 23, 26, 27, 28, and 29-Preliminary Plans and Working Drawings		
(4) 55.25.205-Fairview: Upgrade 5Kv Electrical Distribution System, Phase II-Preliminary Plans, Working Drawings and Construction		
(7) 55.65.200-Statewide: DD Units Personal Alarms Systems, Phase II-Preliminary Plans, Working Drawings, and Construction		
4440-001-001—For support of Department of Mental Health		29,043,000
Schedule:		
(a) 10-Community Services	32,506,000	
(b) 20-State Hospital Services	8,476,000	
(c) 35.01-Departmental Administration	8,851,000	
(d) 35.02-Distributed Departmental Administration	−8,851,000	
(e) Reimbursements	−10,236,000	
(h) Amount payable from the Primary Prevention Fund (Item 4440-001-845)	−237,000	
(i) Amount payable from the Federal Trust Fund (Item 4440-001-890)	−1,140,000	
(j) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−326,000	
Provisions:		
1. Upon order of the Director of Finance, the Controller shall transfer between this item and Item		

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4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	
4. With the $100,000 appropriation to conduct the study required by Chapter 1494 of the Statutes of 1988, the Department of Mental Health shall also develop a needs assessment instrument designed to identify all clients in IMD's who could be served in a less restrictive community-based mental health program, including community residential treatment programs, supported housing, and residential care facilities.	
The department will assess all clients in IMD's. Based on the identified numbers of clients who could be diverted to community-based programs, the department shall develop a plan for converting IMD resources for those clients to funding for community-based mental health programs.	
An advisory committee shall oversee this project, including the development of the needs assessment instrument, the methodology for conducting the needs assessment, and the development of the plan for diverting clients from IMD's to community programs. The advisory committee shall be composed of representatives from the following groups:	
—California Council on Mental Health	
—Organization of Mental Health Advisory Boards	
—California Conference of Local Mental Health Directors	
—California Association of Social Rehabilitation Agencies	
—California Network of Mental Health Clients	
—California Alliance for the Mentally Ill	
—California Association of Health Facilities	
4440-001-845—For support of Department of Mental Health, for payment to Item 4440-001-001, payable from the Primary Prevention Fund	237,000
4440-001-890—For support of Department of Mental Health, for payment to Item 4440-001-001, payable from the Federal Trust Fund	1,140,000
4440-011-001—For support of the State Hospitals, Department of Mental Health	340,931,000

Item		Amount
	Schedule:	
	(a) 20.10-Lanterman-Petris-Short Act...	211,052,000
	(b) 20.20-Penal Code and Judicially Committed.....	131,669,000
	(c) 20.30-Other State Hospital Services.....	44,656,000
	(d) Reimbursements.....	−44,446,000
	(dx) Amount payable from SAFCO (Item 4440-011-036)...	−2,000,000

Provisions:

1. The amounts appropriated above are for support of the hospitals for the mentally ill for judicially committed patients, patients committed pursuant to the Penal Code or patients committed per the Lanterman-Petris-Short Act.
2. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 4440-101-001, 4300-003-001, 5240-001-001, and 5460-001-001.
3. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.
4. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-141-001 those funds which are necessary to support patients who may be transferred to a state hospital as the result of the decertification of the special treatment program in a skilled nursing facility funded by Item 4440-141-001.
5. Of the amount appropriated in Schedule 20.10, $30,600 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.

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6. Of the amount appropriated in Schedule (b), and following approval by the Department of Mental Health, up to $571,000 is available to reimburse counties for the cost of treatment and legal services to patients in the four Department of Mental Health State Hospitals, pursuant to Section 4117 of the Welfare and Institutions Code, provided, that expenditures made under this item shall be charged to either the fiscal year in which the claim is received or the fiscal year in which the Controller issues the warrant. Provided further, that claims filed by local jurisdictions for legal services may be scheduled by the Controller for payment.
7. Of the amount appropriated by this item, up to $100,000 shall be used for the design, development, and implementation of a unit-dose pharmacy system at Atascadero State Hospital. These funds (a) may not be expended prior to approval by the Department of Finance of a feasibility study report examining the implementation of a unit-dose system at Atascadero State Hospital, and (b) can only be expended to implement a system recommended pursuant to the approved feasibility study report.
8. It is the intent of the Legislature that the Department of Mental Health shall utilize funds appropriated by this item to maintain, at a minimum, its current level of staff employed in accordance with Sections 12000 to 12005, inclusive, of the Unemployment Insurance Code.

4440-011-036—For support of the State Hospitals, Department of Mental Health, for payment to Item 4440-011-001, payable from the Special Account for Capital Outlay 2,000,000

4440-016-001—For support, Department of Mental Health, for Conditional Release Services 16,684,000

Schedule:

(a) 10-Community Services 16,684,000

Provisions:

1. The funds in this item shall be used to provide community services as provided in Section 5709.8 of the Welfare and Institutions Code. These funds shall support direct community services, as well as administrative and ancillary services related to the provision of direct services.

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2. Upon order of the Director of Finance, the Controller shall transfer between this item and Items 4440-001-001 and 4440-011-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.		
4440-101-001—For local assistance, Department of Mental Health		624,276,000
Schedule:		
(a) 10.15-Community Residential Treatment System	15,910,000	
(b) 10.25-Community Services—other treatment	607,279,000	
(c) 10.40-Adult System of Care Pilots	32,000,000	
(d) 10.55.020-Targeted Supplemental Services: Alternatives to inappropriate jail placement	5,001,000	
(e) 10.55.030-Targeted Supplement Services: Priority population services	4,815,000	
(1) Inappropriate jail placements		
(2) Mentally disordered persons who require secure facilities		
(3) Mentally disabled, elderly, and veterans		
(4) Juvenile sex offenders and juvenile victims of sex offenses		
(5) Victims with AIDS		
(f) 10.65-Residential Care Services	26,557,000	
(g) 10 75-Homeless Mentally Disabled	29,539,000	
(h) 10.85-AIDS	7,500,000	
(i) Reimbursements	−104,325,000	
Provisions:		
1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Mental Health, and in addition, any amounts transferred from the Health Care Deposit Fund shall augment and be available for expenditure for the purposes specified above.		
2. The Director of Finance may authorize the transfer of funds from this item to the Health		

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Care Deposit Fund for the state's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.

3. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-011-001 those funds which are necessary to provide for overuse of allocated state hospital days. Other transfers between this item and Item 4440-011-001 may be made not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his/her designee, may in each instance determine.
4. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-141-001 those funds which are necessary to provide alternative services to patients who may be transferred to other facilities as the result of the decertification of the special treatment program in a skilled nursing facility funded by Item 4440-141-001. Other transfers between this item and Item 4440-141-001 may be made not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his/her designee, may in each instance determine.
5. In administering the residential care rate supplement program, the department shall continue its procedures to ensure that the program is operated within the available appropriation as scheduled in category (f).
6. Notwithstanding any other provisions of law, funds identified in Item 4440-101-001 of the Budget Act of 1988, for rollover by the counties in fiscal year 1989–90, shall be used only for the specified purpose for which they were allocated or for capital outlay purposes, subject to the review and approval of the Department of

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Mental Health. Community services programs shall not be reduced to provide funds to roll-over for capital outlay purposes.

7. Notwithstanding any other provisions of this act, no funds in category (a), (d), (e), (f), (g) or (h) shall be transferred to other categories within this item or to any other items except as specified in Provision 8.
8. In order to provide relief from administrative requirements and budget restrictions which would create an undue hardship, small counties may combine allocations from categories (d), (e) and (g) into category (b) to be used for Short-Doyle funded programs with the approval of the State Director of Mental Health provided that the following conditions are met:
   a. Local unmet priorities are identified in Part B, County Plan Executive Summary.
   b. The county agrees to comply with all required submissions for data collection.
   c. The county has demonstrated that specific needs do not exist to establish special programs with categorical funds and/or categorical funds do not exist in amounts that make it programmatically or fiscally feasible to implement programs. The county must show that an attempt to maximize the use of public funds for identified populations has been made on a regional basis.

      Small counties are defined as those with a population of less than 1% of the total statewide population based on the most current Department of Finance population estimate.
9. Augmentations to reimbursements in this item from the Office of Emergency Services for Disaster Relief are exempt from the provisions of Section 28.00. The Department of Mental Health will provide written notification to the Joint Legislative Budget Committee describing the nature and planned expenditure of such funds when the amount received exceeds $100,000.
10. Subject to approval by the federal Health Care Financing Administration of the Department of Mental Health's proposal for case management services, and to the extent that counties

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begin claiming federal financial participation for case management services, the Department of Mental Health shall reduce each county's Short-Doyle allocation by 50% of the total amount of federal financial participation for case management services.

12. The department shall notify the fiscal committees, the Joint Legislative Budget Committee, and the appropriate policy committees in the Assembly and Senate 30 days prior to implementing any plan requiring the redistribution of Short-Doyle funds, exceeding $100,000, appropriated in this item
13. Of the amount appropriated in this item, $37,500,000 shall be distributed as a cost-of-living adjustment.
14. Notwithstanding Section 5600 of the Welfare and Institutions Code, $12,500,000 of the amount appropriated in this item shall be combined with $25,000,000 appropriated in Item 4440-101-236 and distributed as follows:
    (a) The department shall calculate allocations for all counties based on its poverty/population formula.
    (b) However, funds for those counties with a 1988–89 poverty/population per capita funding that is 11% or more above the statewide average poverty/population per capita funding shall be redistributed to counties with funding furthest below the statewide average, to equalize funding of those counties receiving redistributed funds.
15. It is the intent of the Legislature that the method for distributing funds set forth in Provision 14 shall be used to distribute future augmentations for local Short-Doyle mental health programs.

4440-101-236—For local assistance, Department of Mental Health, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund 25,000,000

Provisions:

1. Notwithstanding Section 5600 of the Welfare and Institutions Code, the amount appropriated in this item shall be combined with $12,500,000 appropriated in Item 4440-101-001 and distrib-

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uted as follows:

(a) The department shall calculate allocations for all counties based on its poverty/population formula.

(b) However, funds for those counties with a 1988–89 poverty/population per capita funding that is 11% or more above the statewide average poverty/population per capita funding shall be redistributed to counties with funding furthest below the statewide average, to equalize funding of those counties receiving redistributed funds.

4440-101-311—For local assistance, Department of Mental Health, Program 10—Community Services, for Traumatic Brain Injury Demonstration Projects, all funds which are transferred into the Traumatic Brain Injury Fund pursuant to subdivision (g) of Section 1464 of the Penal Code.

Provisions:

1. At a minimum, the department shall (a) consult with interested parties to develop the content of the request for proposal (RFP), (b) develop an evaluation methodology, and (c) develop minimum data set requirements by August 1, 1989. The department shall advertise and issue the RFP when the Traumatic Brain Injury Fund has received $100,000. The department shall initiate contracts with successful approved bidders when at least $250,000 is available in the Traumatic Brain Injury Fund.

4440-101-845—For local assistance, Department of Mental Health, payable from the Primary Prevention Fund..... 1,738,000

4440-101-890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund..... 21,357,000

Schedule:

(a) 10.25-Community Services—other treatment 18,373,000

(b) 10.75-Homeless Mentally Disabled..... 2,984,000

Provisions:

1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (com-

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mencing with Section 5000) of the Welfare and Institutions Code.

2. The Department of Mental Health may authorize advance payments of federal grant funds on a monthly basis to the counties for grantees. Such advance payments may not exceed one-twelfth of the individual grant award for 1989–90. No General Fund money may be used in making grant awards under the provisions of the federal ADAMH block grant.
3. The least possible amount of federal ADAMH block grant funds shall be utilized for purposes of administration at both the state, local and direct provider levels. The department's administrative expenditures shall not exceed 10 percent of federal ADAMH block grant.
4. The Department of Mental Health shall, to the extent possible, ensure that funds received pursuant to the Stewart B. McKinney Homeless Assistance Act of 1987 are expended in coordination with other funds available, both federal and state, for homeless chronically mentally disabled persons.

   Funds may be allocated by the department for the following purposes: outreach, community mental health, diagnostic services, administrative costs, supportive and supervisory services to clients in residential settings, habilitation/rehabilitation care, referrals, staff training and case management.

   Not more than 4 percent of the funds allocated to counties may be used for administrative costs associated with increased program services, unless a county can document to the Department of Mental Health that a program needs in excess of 4 percent.

   The department shall encourage counties to utilize these funds for services to the following chronically mentally disabled homeless target populations: (a) substance abusers, and (b) women.

   Up to $500,000 of the funds available to the department through the Stewart B. McKinney Homeless Assistance Act of 1987 shall be allocated to continue funding for not more than three homeless demonstration projects. The target populations to be serviced by demonstration

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projects shall be severely mentally disabled persons who are homeless and (a) substance abusers or (b) women.		
To the extent possible, the department shall coordinate with both the demonstration projects and the Department of Housing and Community Development to obtain adequate funding, pursuant to Chapter 36 of the Statutes of 1987, for transitional or long-term housing for demonstration project clients. If requested, the department shall provide any additional guidance and assistance necessary to ensure the success of the demonstration projects.		
4440-111-001—For local assistance, Department of Mental Health, for services to brain damaged adults		7,257,000
Provisions:		
1. $2,000,000 of the amount appropriated in this item above the 1988–89 levels shall be used to provide respite care services.		
4440-131-001—For local assistance, Department of Mental Health, for services to special education pupils		20,616,000
Schedule:		
(a) 10.80-Assessments, treatment and case management of special education pupils pursuant to Chapter 1747 of the Statutes of 1984 and Chapter 1274 of the Statutes of 1985	21,291,000	
(b) Reimbursements	−675,000	
Provisions:		
1. In allocating to the counties funds for services to severely emotionally disturbed children as defined by paragraph 8 of subdivision (b) of Section 300.5 of Title 34 of the Code of Federal Regulations, the Department of Mental Health may allocate the funds based on the individual county's needs, in lieu of Section 5600 of the Welfare and Institutions Code.		
2. Notwithstanding Section 7587 of the Government Code, the emergency regulations developed to implement Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code shall not be subject to automatic repeal until the final regulations take effect on or before June 30, 1990.		

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4440-141-001—For local assistance, Department of Mental Health, for services provided in Institutions for Mental Diseases	69,115,000

Schedule:

(a) 10.95 Institutions for Mental Diseases 80,839,000

(b) Reimbursements ..... −11,724,000

Provisions:

1. The funds appropriated in this item shall be used to provide mental health services for persons who are 64 years of age and under, in skilled nursing facilities/special treatment programs (SNF/STP/IMD) in accordance with Division 5 (commencing with Section 5000) of the Welfare and Institutions Code and as approved for funding by the Department of Mental Health.
2. Notwithstanding any other provision of law, counties shall not be required to match funds in this item.
3. Notwithstanding any provision of Article 4 (commencing with Section 10335) of Chapter 2 of Part 3 of Division 2 of the Public Contract Code, the Department of Mental Health may enter into sole source contracts with SNF/STP/IMD facilities.
4. Allocations from this item shall not be subject to Section 5600 of the Welfare and Institutions Code. The Department of Mental Health may also limit the number of beds which will be reimbursed with the funds provided.
5. Notwithstanding any other provision of law, the Department of Mental Health may authorize estimated or advanced payments to SNF/STP/IMD programs. These payments will be adjusted, as necessary, to reflect actual utilization and be offset by revenues. These payments shall not be limited to nonprofit facilities.
6. The operation of SNF/STP/IMD programs shall be consistent with Department of Mental Health policies and regulations for 24-hour care facilities.
7. Prior to any payment being made, a provider shall enter into a placement agreement with each county from which it accepts a patient.
8. Rates of payment for SNF/STP/IMDs in this item shall be limited to the Medi-Cal SNF/STP rate. In order to receive this level of payment,

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SNF/STP/IMDs shall continue to provide the level of services required prior to the loss of federal funding. Any reductions in services below this level shall be accompanied by rate reductions equal to the savings in costs attributable to reducing services.

9. A loan shall be made available to the Department of Mental Health from the General Fund, subject to approval by the Department of Finance, not to exceed a cumulative total of one-twelfth of the amount which is appropriated in Schedule (a) of this item. The loan funds shall be transferred to this item as needed to meet cash-flow needs due to delays in the collection of SSI/SSP reimbursements, and subject to the repayment provisions of Section 16351 of the Government Code

10. Upon order of the Director of Finance, the Controller shall transfer between this item and Item 4440-011-001 and/or Item 4440-101-001 those funds which are necessary to support patients who may be transferred to the state hospitals and/or other facilities as the result of the decertification of the special treatment program in a skilled nursing facility funded by this item. Other transfers between this item and Item 4440-101-001 may be made not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his/her designee, may in each instance determine.

12. To the extent feasible, the Department of Mental Health shall target new resources for Institutions for Mental Disease (IMD) for use by clients in under-equity counties.

4440-301-036—For capital outlay, Department of Mental Health, payable from the Special Account for Capital Outlay 25,533,000

Schedule:

(1) 55.10.210-Minor Projects..... 455,000

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(2)	55.18.220-Atascadero: Fire and Life Safety Improvements and Remodel Patient Living Areas—Construction	10,503,000
(2.5)	55.18.225-Atascadero: Fire and Life Safety Improvements, Support Areas—Additional Construction	198,000
(4)	55.18.240-Atascadero: Additional Warehouse Space—Working drawings	83,000
(5)	55.35.215-Metropolitan: Fire and Life Safety and Environmental Improvements, R & T Building—Construction	5,004,000
(6)	55.35.245-Metropolitan: Develop and Upgrade James Hall—Preliminary plans	31,000
(7)	55.40.240-Napa· Fire and Life Safety and Environmental Improvements, Building 197—Working drawings and construction	8,921,000
(8)	55.45.250-Patton: Fire and Life Safety and Environmental Improvements, 70 Building—Preliminary plans	338,000

4440-490—Reappropriation, Department of Mental Health. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated on the effective date of this act for the purpose (and subject to the limitations, unless otherwise specified) provided for in this appropriation and shall be available for expenditure until June 30, 1990:

001-General Fund

(1) Item 4440-111-001, Budget Act of 1988, for respite care and other mental health services authorized for families and caregivers of brain-damaged adults.

4440-491—Reappropriation, Department of Mental Health. The balances of the appropriations provided for in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations.

Item	Amount
036—Special Account for Capital Outlay: Item 4440-301-036, Budget Act of 1987, as reappropriated by Item 4440-491, Budget Act of 1988:	
(4) 55.18.225-Atascadero: Fire and Life Safety Improvements, Support Areas-Preliminary Plans, Working Drawings and Construction	
Item 4440-301-036, Budget Act of 1988:	
(3) 55.18.230-Atascadero: Improve Security Control-Preliminary Plans, Working Drawings and Construction.	
5100-001-001—For support of Employment Development Department, for payment to Item 5100-001-870	30,727,000
5100-001-164—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Outer Continental Shelf Land Act Fund (Section 8g)	350,000
Provisions:	
1. The funds appropriated by this item are for the purpose of augmenting the funds available to the Wager-Peyser 10-Percent Program.	
5100-001-184—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Development Department Benefit Audit Fund	8,359,000
5100-001-185—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Development Contingent Fund	29,987,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for administration pursuant to Section 1586 of the Unemployment Insurance Code.	
2. Notwithstanding the provisions of Item 9840-001-494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	

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5100-001-514—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Training Fund 70,822,000

Provisions:

1. Notwithstanding Section 2 of this act, any unexpended balance in the Employment Training Fund as of June 30, 1989, is hereby appropriated for transfer to and in augmentation of this item, for allocation by the Employment Training Panel for job training contracts and shall not be reverted to the Unemployment Fund.
2. All activities to market, negotiate, or otherwise locate employers or other agencies interested in providing training with funds supplied by the Employment Training Panel shall be supported with funds allocated for the administration of the Employment Training Panel.
4. Notwithstanding Section 2.00 of this act, funds disencumbered from Employment Training Fund job training contracts during fiscal year 1989–90 are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Training Panel for job training contracts and shall not be reverted to the Unemployment Fund. The Employment Development Department shall notify the Legislature by September 1, 1990, of the actual amount of funds appropriated pursuant to this provision.
5. The Employment Training Panel shall advise groups and organizations assisting eligible newly legalized individuals and the Job Training Partnership Act Title IV-A, Section 402 grantees who assist farmworkers in meeting the requirements of permanent resident status under the Immigration Reform and Control Act (Public Law 99-601), to direct qualified eligible aliens to the Employment Training Panel programs. Of the amount appropriated in Provision 1, a minimum of $4,000,000 shall be allocated for assistance to these groups, organizations, and grantees in securing and training qualified eligible aliens in the Employment Training Panel programs. Of the amount allocated in this provision, funds may be made available for the administrative staffing needed for marketing, outreach,

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and to provide technical assistance to implement this program, as approved by the Department of Finance. These funds will be reserved for this program until May 1, 1990. Thereafter, the remaining balance shall be available for other Employment Training Panel programs.

6. Of the funds appropriated by this item, $100,000 shall be used to support an evaluation of the implementation of worksite innovations by manufacturing firms in California consistent with the evaluation design agreed to by the California Worksite Research Committee. To the extent feasible, the evaluation shall include the evaluation of ETP-funded innovations at the New United Motors (NUMMI) plant in Fremont, the U.S. Steel plant in Pittsburg, and the General Motors plant in Van Nuys. The study shall identify the reasons for the success or failure of the innovations made at the plants. The study also shall discuss the role that job training played in the implementation of manufacturing innovations and identify any implications that the report's findings have on the appropriateness of government subsidies to encourage future manufacturing innovations.

5100-001-588—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Unemployment Compensation Disability Fund..... 72,185,000

Provisions:

1. The Employment Development Department shall submit on October 1 and April 20, to the Department of Finance for its review and approval, an estimate of expenditures for both the current and budget years, including the assumptions and calculations underlying EDD projections for support expenditures from this item. The Department of Finance shall approve, or modify, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing, the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of support

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expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the DOF approved estimate. Revisions for the support of the Disability Insurance program reported pursuant to this provision are not subject to the provisions of Section 28.00 of this act.		
2. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.		
5100-001-869—For support of state programs under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund		56,676,000
Schedule:		
(a) 60.11-Administrative Cost Pool	9,863,000	
(b) 60.20-Incentive and Technical Assistance	10,237,000	
(c) 60.30-Older Workers	5,433,000	
(d) 60.40-Educational Linkages	14,487,000	
(e) 60.51-Special Local Projects	364,000	
(f) 60.60-Displaced Workers	15,492,000	
(g) 60.65-Veterans	800,000	
Provisions:		
1. Funds appropriated under this item for (b) 60.20, Incentive and Technical Assistance, can be transferred to Item 5100-101-869, upon the approval of the Department of Finance, when Service Delivery Areas decide to operate projects under the federal guidelines of (a) 60.70, Adult and Youth Training Programs		
5100-001-870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal		364,952,000
Schedule:		
(a) 10-Employment and Employment Related Services	155,554,000	
(b) 20-Tax Collection and Benefit Payments	374,078,000	
(c) 30.01-General Administration	35,802,000	
(d) 30.02-Distributed General Administration	−32,986,000	

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(e) 50-Employment Training Panel... 68,858,000
(f) Reimbursements.....—23,689,000
(g) Amount payable from the General Fund (Item 5100-001-001) ....—30,727,000
(h) Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-184) ..... —8,359,000
(i) Amount payable from the Employment Development Contingent Fund (Item 5100-001-185) ...—29,987,000
(j) Amount payable from the Employment Training Fund (Item 5100-001-514) .....—70,822,000
(k) Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-588) .....—72,185,000
(*l*) Amount payable from the School Employees Fund (Item 5100-001-908) ..... —585,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1555 of the Unemployment Insurance Code
2. The Employment Development Department (EDD) shall submit on October 1 and April 20, to the Department of Finance for its review and approval an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying EDD projections for support expenditures for the Unemployment Insurance program from this item. The Department of Finance shall approve, or modify, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of support expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation

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shall be adjusted by the difference between this appropriation and the Department of Finance approved estimate for the Unemployment Insurance program. Revisions for the support of the Unemployment Insurance program reported pursuant to this provision are not subject to the provisions of Section 28.00 of this act.	
3. To the extent that available federal funding is insufficient to support employment data and research positions at the budgeted level, funds shall be appropriated from the Employment Development Contingent Fund, up to a total of $263,000, to substitute for these federal funds.	
5100-001-908—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the School Employees Fund	585,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for administration pursuant to Section 822 of the Unemployment Insurance Code.	
3. Provision 2 of Item 5100-001-870 is also applicable to this item.	
5100-011-185—For support of Employment Development Department payable from Employment Development Contingent Fund. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the amount, as determined by the Director of Finance, in the Employment Development Contingent Fund as of June 30, 1990, which is in excess of the $1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.	
5100-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund.....	(364,952,000)
5100-021-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(56,676,000)

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5100-101-588—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund.....	1,471,320,000

Provisions:

1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 3012 of the Unemployment Insurance Code.
3. The Employment Development Department shall submit on October 1 and April 20, to the Department of Finance for its review and approval, an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying EDD projections for benefits payable from this item. The Department of Finance shall approve, or modify the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of benefit expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the DOF approved estimate. Revisions reported pursuant to this provision are not subject to the provisions of Section 28.00 of this act.

5100-101-869—For local assistance under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund.....	222,299,000

Schedule:

(a) 60.70-Adult and Youth Training Programs.....	153,718,000

Item	Amount
(b) 60.80-Summer Youth Programs.... 68,581,000	
5100-101-870—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Administration Fund..... Provisions: 1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1555 of the Unemployment Insurance Code. 2. Provision 3 of Item 5100-101-588 is also applicable to this item.	2,910,000
5100-101-871—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Federal Unemployment Fund .... Provisions: 1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1521 of the Unemployment Insurance Code. 2. Provision 3 of Item 5100-101-588 is also applicable to this item.	2,042,416,000
5100-101-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(222,299,000)
5100-101-908—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the School Employees Fund ..... Provisions: 1. Notwithstanding the provisions of Item 9840-001-988, the Director of the Department of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item. 2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for benefits pursuant to Section 822 of the Unemployment Insurance Code. 3. Provision 3 of Item 5100-101-588 is also applicable to this item.	17,607,000
5100-111-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund.....	(2,045,326,000)

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Schedule:

(a) For transfer to the Federal Unemployment Fund (871) ..... (2,042,416,000)

(b) For transfer to the Unemployment Administration Fund (870) .. (2,910,000)

5100-301-185—For capital outlay, Employment Development Department, payable from the Employment Development Department Contingent Fund, for transfer to the Unemployment Administration Fund—Federal..... 72,000

5100-301-588—For capital outlay, Employment Development Department, payable from the Unemployment Compensation Disability Fund, for transfer to the Unemployment Administration Fund—Federal..... 243,000

5100-301-870—For capital outlay, Employment Development Department, payable from the Unemployment Administration Fund—Federal..... 502,000

Schedule:

(1) 80.37.040—Minor Projects 502,000

5100-301-890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal..... (187,000)

5100-490—Reappropriation, Employment Development Department. As of June 30, 1989, the balance of the appropriation provided in Item 5100-101-869, Budget Act of 1988, is reappropriated for transfer to and in augmentation of Item 5100-101-869, Budget Act of 1989, and shall be available for encumbrance and expenditure through June 30, 1990.

Provisions:

1. The Employment Development Department shall notify the Legislature by December 1, 1989, of the actual amount of 1988–89 Federal Job Training Partnership Act local assistance funds carried forward into 1989–90 for expenditure.

5100-491—Reappropriation, Employment Development department. The balances of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations.

870—Unemployment Administration Fund—Federal:

Item 5100-301-870, Budget Act of 1987, as reappro-

Item		Amount
priated by Item 5100-491, Budget Act of 1988:		
(1) 80.23.001-Chico: Handicapped Access and Alterations-Preliminary Plans, Working Drawings and Construction		
Item 5100-301-870, Budget Act of 1988:		
(.5) 80.10.001-Bakersfield: Office Renovation and Handicapped Accessibility Improvements to Restrooms-Construction		
5160-001-001—For support of Department of Rehabilitation		25,930,000
Schedule:		
(a) 10-Vocational Rehabilitation Services	156,327,000	
(b) 20-Habilitation Services	8,955,000	
(c) 30-Support of Community Facilities	4,673,000	
(d) 40.01-Administration	13,492,000	
(e) 40.02-Distributed Administration	−12,928,000	
(f) Reimbursements	−3,463,000	
(g) Amount payable from the Federal Trust Fund (Item 5160-001-890)	−141,126,000	
Provisions:		
1. In order to participate in the Mental Health Initiative, a county shall identify, in its joint proposal with a local office of the Department of Rehabilitation, cash and in-kind resources it shall make available for prevocational and other services to supplement vocational rehabilitation resources.		
2. The State Department of Rehabilitation shall commit staff and associated funds to consolidate current activities and develop, expand and implement cooperative agreements with local programs where possible. To the extent that local programs or cooperative agreements are implemented, any funds appropriated in this item that are in excess of the amount needed to match the available federal funds shall revert to the General Fund.		
3. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work		

Item			Amount
Activity Program (VR/WAP) Transition program.			
4. To maximize the use of federal funds in the state, the Department of Rehabilitation shall use $2,114,000 appropriated in this item to match available Rehabilitation "110" federal funds. The Department of Rehabilitation shall enter into an interagency agreement with the State Personnel Board in the amount of $2,571,000, payable from these matched funds, to purchase on-the-job training services in accordance with Chapter 1 (commencing with Section 12000) of Division 4 of the Unemployment Insurance Code.			
5160-001-890—For support of Department of Rehabilitation, for payment to Item 5160-001-001, payable from the Federal Trust Fund			141,126,000
5160-101-001—For local assistance, Department of Rehabilitation			73,887,000
Schedule:			
(a) 10-Vocational Rehabilitation Services		507,000	
(b) 20-Habilitation Services		68,069,000	
(1) 20.10 Work Activity Program	51,796,000		
(2) 20.30 Counselor-Teacher and Reader Services	102,000		
(3) 20.40 Supported Employment Services	16,171,000		
(c) 30-Support of Community Facilities		5,311,000	
Provisions:			
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-101-001 to provide for the conversion of Day Programs, Supported Work Programs and Work Activity Programs to meet client service needs.			
2. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5160-001-001 to provide the state's share of client service expenditures for habilitation clients who are eligible to become vocational rehabilitation clients.			
3. For the purposes of determining eligibility for			

Item		Amount
state incentive funds provided pursuant to Section 19806 of the Welfare and Institutions Code, the department shall establish the "base year" for the three independent living centers designated in Contra Costa, Nevada, and Santa Cruz Counties by determining the actual amount raised from private resources during the fiscal year for the first, state-funded grant given by the department to these independent living centers.		
5180-001-001—For support of Department of Social Services		86,840,783
Schedule:		
(a) 10-Welfare Program Operations	58,099,000	
(b) 20-Social Services Programs	30,395,483	
(c) 30-Community Care Licensing	38,523,000	
(d) 40-Disability Evaluation Program	112,291,000	
(f) 60.01-Administration	21,375,300	
(g) 60.02-Distributed Administration	−14,100,000	
(h) Reimbursements	−9,178,000	
(i) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-131)	−740,000	
(j) Amount payable from the Federal Trust Fund (Item 5180-001-890)	−148,959,000	
(k) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−866,000	
Provisions:		
1. The Director of Finance may authorize the transfer of General Fund moneys from Item 5180-001-001(c) to Item 5180-161-001, Program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.		
2. Of the funds appropriated by this item, $35,000 is for payment of attorney fees which become due and owing pursuant to Section 10962 of the Welfare and Institutions Code in 1988–89 and 1989–90.		
3. The Department of Social Services shall exert maximum possible effort toward obtaining enhanced federal funds participation in the state support costs and county administrative costs of		

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each of the projects included in the Standardized Automated Welfare System (SAWS) plan. The Director of Finance shall notify the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee of the receipt of enhanced federal funds participation for the SAWS projects. The notice shall provide for increases in the federal funds appropriated in Items 5180-001-890 and 5180-141-890 and offsetting reductions in the General Fund amount appropriated in this item and Item 5180-141-001 for the SAWS projects to reflect the increased rate of federal funds participation.

4. The Director of Finance may authorize the transfer of General Fund moneys from Item 5180-001-001(b) to Item 5180-151-001(d), Adoptions, in order to allow counties to perform the adoption programs function.
5. Up to $500,000 of the unexpended balance, as of June 30, 1989, of the amount appropriated for Item 5180-151-001 by the Budget Act of 1988 may be reappropriated to Item 5180-001-001 to fund a workload study of the Child Welfare Services and Adoption Programs.
6. The Department of Social Services shall convene an interagency task force to assist in planning Family Support Act implementation. Members of the task force shall include child care, adult education and basic education, vocational training, and fiscal experts from the State Department of Education, the community colleges, the Employment Development Department, the State Job Training Coordinating Council, and any other department impacted by the Family Support Act. Representatives from the Department of Social Services shall include staff from AFDC Policy, GAIN, and fiscal policy areas of the department.
7. The Department of Social Services shall enter into written agreements with the State Department of Education and any other impacted departments to the extent necessary to meet federal requirements for the claiming of federal funds for remedial education and child care, vocational education, and any other services or administrative activities that may be eligible for federal reimbursement.

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The agreements shall include all of the following: a. Roles and responsibilities of each department. b. How the administrative costs associated with the additional duties shall be paid for. c. Types and frequency of reports required from the departments that are primarily responsible for ensuring that the particular services are provided. d. Monitoring activities for compliance with federal and state laws and regulations as necessary. e. Deadlines for claims submittals. 8. The Department of Social Services shall periodically brief the GAIN Oversight Committee on its implementation efforts and provide copies of the formal agreements to the JOCGI. The initial briefing shall occur no later than October 15, 1989, and shall include the administration's proposal for the implementation of transitional child care provisions of the Family Support Act.	
5180-001-131—For support of Department of Social Services, for payment to Item 5180-001-001, for claims payments and the operation and maintenance of the Foster Family Home and Small Family Home Insurance Fund	740,000
5180-001-890—For support of Department of Social Services, for payment to Item 5180-001-001, payable from the Federal Trust Fund	148,959,000
Provisions: 1. The Director of Finance may authorize the transfer of federal funds from this item to Items 5180-161-890 and 5180-151-890, in order to allow counties to perform the facilities evaluation function in community care licensing and the adoptions program functions in Social Services, respectively. 2. The department may contract with up to five persons to work closely with the refugee communities to assist in the development of refugee community-based organizations and to assist such organizations to acquire and develop the capacity to compete for and operate refugee funded programs or to provide other services to refugees.	

Item		Amoun
5180-011-001—For support of Department of Social Services, for transfer to the Foster Family Home and Small Family Home Insurance Fund		184,000
5180-101-001—For local assistance, Department of Social Services		2,472,435,000
Schedule:		
(a) 10.04.005-Aid to Families with Dependent Children	4,754,795,000	
(b) 10.04.010-Child Support Incentives	66,891,000	
(c) 10.04.015-Aid for Adoption of Children/Adoption Assistance Program	42,294,000	
(d) Reimbursements	−3,236,000	
(e) Amount payable from the Federal Trust Fund (Item 5180-101-890)	−2,383,104,000	
(f) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−5,205,000	

Provisions:

1. No funds appropriated by this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services which adds to the cost of any welfare program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter which would increase the costs of a welfare program, the Director of Finance shall consider the amount of the proposed increase on an annualized basis, the effect such change would have on the expenditure limitations for such program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

   Notwithstanding the provisions of Sections 26.00 and 28.00, the availability of funds contained in this item for welfare rules, regulations, or all-county letters which add to program costs

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funded from the General Fund in excess of $500,000 on an annual basis, including those that are the result of a federal regulation but excluding those that are (a) specifically required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Director of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Funds appropriated in this item are for welfare programs as they exist on July 1, 1989, consisting of state and federal statutory law, regulations, and court decisions, if funds necessary to carry out such decisions are specifically appropriated in this act.

For purposes of this provision "welfare" shall mean those program elements under "Welfare Program Operations," as found in the Governor's Budget and consistent with definitions used in the California Fiscal Information System (CFIS).

2. The Department of Social Services shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth herein, and so that the amount authorized to be expended in Program 10.04, Aid to Families with Dependent Children program shall fully cover the state share of aid payments and for services under such programs for the 1989–90 fiscal year.
3. There is hereby established for the next two quality control review periods, a dollar error rate standard of 4 percent, pursuant to Section 15200.4 of the Welfare and Institutions Code.

For the purposes of state sanctions pursuant to Section 15200.4 of the Welfare and Institutions Code, the error rate estimate that shall be used to measure the quality performance of

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each county shall be the low point estimate of the confidence interval estimated by combining the results from the two quality review samples conducted during the two subsequent quality review periods.

Amounts realized from the counties as the result of a state fiscal sanction shall first be applied as an offset to the state's share of Program 10.04, Payments for Children. To the extent that this application results in a surplus to the General Fund appropriation for that program, such surplus shall revert to the General Fund.

4. The Director of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued in Program 10.04, Payments for Children, as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a court decision, during the 1989–90 fiscal year which are within or in excess of amounts appropriated in this act for that year.

   If the Director of Finance determines that the estimate of expenditures will exceed the expenditures authorized for Program 10.04, Payments for Children, the director shall so report to the Legislature. At such time as the report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

5. Notwithstanding Chapter 1 of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $113,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs for the Aid to Families with Dependent Children program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.

6. Pursuant to subdivision (b) of Section 903.7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the quarterly transfer of the state share of collections at-

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tributable to Sections 903, 903.4, and 903.5 of the Welfare and Institutions Code to the Foster Children and Parent Training Fund. From these collections, and prior to any transfer of funds, there shall be a deduction for the appropriate amount of county child support collection incentives.

7. Of the amount appropriated in this item, $17,161,000, consisting of $13,800,000 from the General Fund and $3,361,000 from the Federal Trust Fund, is to adjust foster care group home rates, contingent upon the enactment of legislation establishing a group home ratesetting system that reimburses group home providers according to a fixed schedule of rates.
8. It is the intent of the Legislature that the Department of Health Services and the Department of Social Services work with the counties to reduce error rates in determining eligibility for AFDC and Medi-Cal by at least 0.5 percent. The Department of Social Services shall report to the Legislature, no later than March 1, 1990, on (1) error rates in each county and the AFDC and Medi-Cal costs resulting from eligibility errors in any counties whose error rate exceeds the statewide average, (2) efforts of both departments to work with counties whose error rates exceed the statewide average, and (3) an assessment of what, if any, additional resources would be necessary to reduce statewide error rates by 0.5 percent.
9. Of the amount appropriated in this item, $9,700,000, consisting of $7,800,000 fromthe General Fund and $1,900,000 fromthe Federal Trust Fund, is to provide a clothing allowance of up to $200 per year per child, for each child placed in a foster family home.

5180-101-036—For local assistance, Department of Social Services, Ventura County Children's Crisis Center 2,000,000

Provisions:

1. The funds appropriated in this item shall not be expended until the Director of the Department of Social Services certifies that the County of Ventura has secured matching funds in the ratio of $4 for every $1 of funds being expended at that time pursuant to this item. The Depart-

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ment of Social Services may take this grant into account when it reimburses the county for the operation of the facility.		
5180-101-890—For local assistance, Department of Social Services, for payment to Item 5180-101-001, payable from the Federal Trust Fund		2,383,104,000
Provisions:		
1. Provisions 1–4, inclusive, of Item 5180-101-001 are also applicable to this item.		
5180-111-001—For local assistance, Department of Social Services		2,009,685,000
Schedule:		
(a) 10.08-SSI/SSP	2,026,808,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-111-890)	−12,600,000	
(c) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50)	−4,523,000	
Provisions:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-111-890—For local assistance, Department of Social Services, for payment to Item 5180-111-001, payable from the Federal Trust Fund		12,600,000
Provisions:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-121-001—For local assistance, Department of Social Services		3,683,000
Schedule:		
(a) 10.12-Special Adult Programs	3,758,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-121-890)	−75,000	
Provisions:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-121-890—For local assistance, Department of Social Services, for payment to Item 5180-121-001, payable from the Federal Trust Fund		75,000
Provisions:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-131-890—For local assistance, Department of Social Services, Program 10.24—Refugee Cash Assistance Programs, payable from the Federal Trust Fund		35,960,000

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5180-141-001—For local assistance, Department of Social Services, Program 10.20—County Administration 173,263,000

Schedule:

(a) 10.20-County Administration..... 681,236,000

(b) Amount payable from the Federal Trust Fund (Item 5180-141-890) ....—505,988,000

(c) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50) ..... —1,985,000

Provisions:

1. The Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Director of Finance may authorize the transfer of funds from Items 5180-141-001 and 5180-141-890, to Items 5180-001-001 and 5180-001-890 for this purpose.

2. During the 1989–90 fiscal year, pursuant to Sections 15204.5 and 18906 of the Welfare and Institutions Code, the Department of Social Services shall continue the implementation of a plan whereby costs for county administration for AFDC and Food Stamp Programs will be effectively controlled within the total state funds appropriated for Program 10.20, County Administration.

   Notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the total amount of state funds available to the counties for administration of the programs specified in Program 10.20, County Administration, shall be limited to the amount appropriated for that program.

3. Notwithstanding any other provisions of law, the Department of Social Services may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the form and manner as may be requested by the department. Provided further, that the Department of Social Services may enter into an agreement with a county wherein state financial support for the development or modification of

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	county-automated welfare operations is conditioned upon the realization of savings projected by the county.	
	4. Provision 1 of Item 5180-101-001 is also applicable to this item.	
	5. Of the funds appropriated in this item for costs of administering the Special Circumstances Program, the department shall limit state reimbursement for an individual county's administrative costs to 100 percent of the county's total benefit expenditures, or actual administrative costs, whichever is less.	
	6. When performance refinements and modifications to a county EDP system are needed to meet Statewide Automated Welfare System (SAWS) requirements that will benefit additional counties, the Department of Social Services may pay the first counties' share of administrative costs incurred for those modifications. The department is restricted to paying for the first counties' share for no more than five SAWS systems.	
5180-141-890—For local assistance, Department of Social Services, for payment to Item 5180-141-001, payable from the Federal Trust Fund		505,988,000
Provisions:		
1. Provisions 1–5, inclusive, of Item 5180-141-001 are also applicable to this item.		
5180-151-001—For local assistance, Department of Social Services, Program 20—Social Services Programs		863,852,693
Schedule.		
(a) 20.30-Other County Social Services	463,699,517	
(1) 20.30.010-Child Welfare Services Grant	384,863,517	
(2) 20.30.030-County Services Block Grant	78,836,000	
(b) 20.35-Specialized Adult Services	610,944,000	
(1) 20.35.220-In-Home Supportive Services	604,348,000	
(2) 20.35.240-Maternity Care	2,154,000	

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	(3) 20.35.250-Access Assistance for the Deaf..... 4,442,000	
	(c) 20.40-Employment Services	220,406,736
	(d) 20.42-Adoptions.....	31,094,000
	(e) 20.45-Refugee Assistance Services...	27,685,000
	(f) 20.47-Child Abuse Prevention.....	21,652,000
	(fx) Reimbursements (Federal funds)	−2,735,000
	(g) Amount payable from the Federal Trust Fund (Item 5180-151-890)	−508,673,560
	(h) Amount payable from the State Legalization Impact Assistance Grant (Allocation from Control Section 23.50).....	−220,000

Provisions:

1. The amounts contained in this schedule are for Social Services Programs, for the cost of special social services programs for which federal grants in aid are made to the state; for grants or services to local agencies for the extension of child welfare services as provided by Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 of the Welfare and Institutions Code; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including, but not limited to, the required county funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, and for prevention of child abuse and neglect as provided by Chapter 11 (commencing with Section 18950) of Part 6 of Division 9 of the Welfare and Institutions Code.
2. Provision 1 of Item 5180-101-001 is also applicable to this item.
3. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $22,800,000 may be made available from the General Fund from funds not otherwise appropriated upon the approval of the Director of Fi-

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nance to cover the federal share of costs for the In-Home Supportive Services Program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.

4. The amount appropriated in Item 5180-151-001(b)(2), Program 20.35.240-Maternity Care, is appropriated in lieu of the amounts which would otherwise be appropriated pursuant to Sections 16148 and 16151 of the Welfare and Institutions Code. In subcategory (2) of category (b), $88,000 is to provide a 4.61 percent cost-of-living adjustment for licensed maternity home care providers.
5. Budgets for approved county plans shall clearly identify the amount necessary to meet the child care needs of GAIN participants. The Department of Social Services shall not approve any county request to use child care funds for any other purpose without providing written notification to the Legislature of the request. Approval of such a request may not occur any earlier than after 30 days' written notification to the Joint Legislative Budget Committee and the Joint Committee on the Oversight on GAIN.
6. Recognizing that the availability of child care is essential to economic self-sufficiency, it is the intent of the Legislature to fund child care services as necessary to support the goal of full employment.

   When a child care provider under contract with the State Department of Education (SDE) provides child care services to GAIN participants who are enrolled in a GAIN component or awaiting enrollment in a GAIN component, the county welfare department shall reimburse the provider for the cost of that child care.

   Children receiving services under an SDE contract, whose parents subsequently become GAIN participants, shall continue to receive services paid by the SDE contract until such time as the parents are no longer income-eligible for the subsidy.

   An SDE provider shall not be compensated by both SDE and a county welfare department for

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the same service to the same person for the same time-period.

The Department of Social Services and SDE shall enter into a memorandum of understanding that specifies a maintenance-of-effort requirement by SDE programs for AFDC recipients. This memorandum of understanding shall use data collected by SDE and certified by the Auditor General.

7. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-001, Program 20 Social Services programs, in order to allow the state to perform the adoption programs function in the event the counties fail to perform such functions.
8. Of the amount appropriated for Item 5180-151-001, Budget Act of 1988, the unexpended balance, as of June 30, 1989, up to $500,000, may be reappropriated to Item 5180-001-001 to fund a workload study of the Child Welfare Services and Adoption Programs.
9. For fiscal year 1989–90, funds appropriated by this item shall be used to continue to contract with the existing eight pilot projects which provide Intensive In-home Services to families referred by county welfare departments who have children who would otherwise be placed in foster care. The Office of Child Abuse Prevention shall complete the final evaluation of the pilot projects funded pursuant to Section 18964 of the Welfare and Institutions Code by January 10, 1990, and the Department of Finance shall, in its annual budget submission for fiscal year 1990–91, recommend either elimination of the projects or continuation or expansion of the projects on a permanent basis.
10. Of the amount appropriated in this item, $1,000,000 shall be used to expand the Deaf Access Assistance Program into counties not currently served.

5180-151-890—For local assistance, Department of Social Services, for payment to Item 5180-151-001, payable from the Federal Trust Fund 508,673,560

Provisions:

1. Provisions 1 and 3 of Item 5180-151-001 and Provision 1 of Item 5180-101-001 are also applicable to this item.

Item		Amount
2. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-890 in order to allow the state to perform the Adoption programs functions in the Social Services program in the event the counties fail to perform such function.		
5180-155-001—For local assistance, Department of Social Services, for Los Angeles County GAIN contract services, in accordance with the following schedule		4,893,824
Schedule:		
(a) Los Angeles County GAIN	7,893,264	
(b) Amount payable from the Federal Trust Fund (Item 5180-155-890)	−2,999,440	
Provisions:		
1. Funds in this item are for GAIN case management services in Los Angeles County. The use of funds in this Item is contingent upon certification by the Los Angeles County Auditor Controller to the State Controller, that the Case Management Services Agreement between the County of Los Angeles and Maximus, Inc. has been terminated, and that no funds will be spent for this agreement in the 1989–90 fiscal year.		
5180-155-890—For local assistance, Department of Social Services, for payment to Item 5180-155-001, payable from the Federal Trust Fund		2,999,440
5180-161-001—For local assistance, Department of Social Services		9,527,000
Schedule:		
(a) 30-Community Care Licensing	15,004,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-161-890)	−5,477,000	
Provisions:		
1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-001, Program 30—Community Care Licensing, in order to allow the state to perform the facilities evaluation function in the event the counties fail to perform such function.		
5180-161-890—For local assistance, Department of Social Services, for payment to Item 5180-161-001, payable from the Federal Trust Fund		5,477,000
Provisions:		
1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-		

Item		Amount
	001-890 in order to allow the state to perform the facilities evaluation function in the Community Care Licensing Program in the event the counties fail to perform such function.	
5180-181-001—For local assistance, Department of Social Services, Program 97.10—Special Adjustments—Cost-of-Living Adjustments, to be transferred to and in augmentation of programs, upon approval of the Department of Finance, effective July 1, 1989, in accordance with the following schedule ..		242,814,000
Schedule:		
(a) 10.04.005-Aid to Families with Dependent Children (for transfer to Item 5180-101-001)	223,721,000	
(b) 10.08-SSI/SSP (for transfer to Item 5180-111-001)	133,294,000	
(c) 10.24-Refugee cash assistance (for transfer to Item 5180-131-890)	1,660,000	
(d) 10.20-County Administration (for transfer to Item 5180-141-890)	19,352,000	
(e) 20-Social Services Program (for transfer to Item 5180-151-001)	2,593,000	
(f) Amount payable from the Federal Trust Fund (Item 5180-181-890)	−137,806,000	
Provisions:		
1. Of the amount appropriated in this item, $11,780,000, consisting of $7,900,000 from the General Fund and $3,880,000 from the Federal Trust Fund, is to provide a 5.06% cost-of-living adjustment for foster family homes.		
5180-181-890—For local assistance, Department of Social Services, for transfer to Item 5180-181-001, payable from the Federal Trust Fund, to be transferred to and in augmentation of programs, upon approval of the Department of Finance, effective July 1, 1989.....		137,806,000

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5180-490—Reappropriation, Department of Social Services. On the effective date of this act, notwithstanding any other provision of law, up to $500,000 of the appropriation provided in Item 5180-151-001(a)(1), 20.30.010-Child Welfare Services Grant, of the Budget Act of 1988, is hereby reappropriated for transfer and in augmentation of Item 5180-001-001, Program 20, Social Services Programs, of the Budget Act of 1989, to allow the department to conduct a workload study of the Child Welfare Services and Adoption Programs.

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of Department of Corrections 1,784,805,000

Schedule:

(a) 21-Institution Program 1,657,381,000
(b) 31-Community Correctional Program 194,801,000
(c) 41.01-Administration 135,809,000
(d) 41.02-Distributed Administration ..... −136,509,000
(e) Reimbursements ..... −14,843,000
(i) Amount payable from the 1988 Prison Construction Fund (Item 5240-001-747) ..... −26,477,000
(j) Amount payable from the Federal Trust Fund (Item 5240-001-890) .. −217,000
(k) Amount payable from the Inmate Welfare Fund (Item 5240-001-917) ..... −25,140,000

Provisions:

1. Funds appropriated to accommodate projected institutional population levels in excess of those which actually materialize, if any, shall revert to the General Fund, unless the encumbrance of such funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefor, to the legislative fiscal committees and the Joint Legislative Budget Committee.
2. Funds appropriated to accommodate projected parole population levels in excess of those which actually materialize, if any, shall revert to the General Fund, unless the encumbrance of such funds is authorized by the Department of Fi-

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nance, not sooner than 30 days after notification in writing of the necessity therefor to the legislative fiscal committees and the Joint Legislative Budget Committee.

3. Of the amount appropriated in Schedule (a), up to $3,579,000 shall be available for transfer by executive order of the Department of Finance to the Department of Forestry and Fire Protection to augment Item 3540-001-001. The amount transferred shall be sufficient for the support of newly activated conservation camps during the 1989–90 fiscal year. Funds not used for this specific purpose shall revert to the General Fund.
4. No positions for the new prisons and camps proposed for activation in the 1989–90 fiscal year may be filled prior to 30 days' advance notification to the Department of Finance, the legislative fiscal committees and the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
5. Of the amount appropriated in this item, $4,798,000 shall be utilized by the Department of Corrections to support the Fire Suppression Inmate Camps Program in Los Angeles County. Funds not used for this purpose shall revert to the General Fund.
6. Of the amount appropriated in Schedule (a), $18,340,000 shall be available for the activation of California State Prison, Pelican Bay. The funds shall be used for those activities associated with new prison activation, including staffing and provisioning.
7. The Department of Corrections shall notify the Joint Legislative Budget Committee and the fiscal committees of the Legislature of any changes in the department's weapons policies within 30 days of the change. Reportable changes include, but are not limited to, changes in weapon sizes or type, conversions of nonarmed posts to armed posts, and any changes in Section 4800 of the department's operations manual.
8. None of the funds appropriated in Schedule (c) of this item shall be available for expenditure after December 1, 1989, unless the Department of

Item		Amount
	Corrections submits to the Legislature prior to that date: (a) a plan to identify the number of inmates needing substance abuse treatment and education programs, (b) an outline of the components of the treatment programs, and (c) an implementation plan for the programs, along with a specific estimate of costs. This plan should include programs for all prison facilities.	
	9. It is the intent of the Legislature that the Department of Corrections shall utilize funds appropriated by this item to maintain, at a minimum, its current level of staff employed in accordance with Sections 12000 to 12005, inclusive, of the Unemployment Insurance Code.	
5240-001-747—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the 1988 Prison Construction Fund		26,477,000
	Provisions:	
	1. Of the amount appropriated in this item, up to $3,300,000 shall be available for the defense of contractor claims arising from the new prison construction program. Any funds unused at the end of the 1989–90 fiscal year shall revert to the 1988 Prison Construction Fund.	
5240-001-890—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Federal Trust Fund.....		217,000
5240-001-917—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Inmate Welfare Fund.....		25,140,000
5240-003-001—For support of the Department of Corrections.....		55,260,000
	Provisions:	
	1. Of the amount appropriated in this item, $12,419,000 is provided for lease payments and insurance costs as required in connection with issuance of Lease Revenue Bonds, 1985 Series A (Southern Maximum Security Complex); $16,753,000 is provided for lease payments and insurance costs as required in connection with issuance of Lease Revenue Bonds, 1986 Series A (Mule Creek State Prison); $25,626,000 is provided for lease payments and insurance costs as required in connection with issuance of Lease Revenue Bonds, 1986 Series A (California State Prison, Corcoran) and $462,000 is provided for lease payments and insurance costs as required	

Item		Amount
in connection with issuance of Lease Revenue Bonds, 1987 Series A (Pelican Bay State Prison).		
5240-101-001—For local assistance, Department of Corrections		25,410,000
Schedule:		
(a) 21-Institution Program	9,091,000	
(b) 31-Community Correctional Program	16,319,000	

Provisions:

1. The amount appropriated by this item is provided for the following purposes:
   a. To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code. Provided, that claims filed by local jurisdictions shall be filed within six months after the end of the month in which such transportation costs are incurred; and provided further, that expenditures shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller.

      Provided further, that claims filed by local jurisdictions directly with the State Controller may be paid by the Controller.

   b. To pay the expenses of returning fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code. Provided, that expenditures shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the state for such expenses be credited to the appropriation of the year in which the State Controller's receipt is issued.

      Provided further, that claims filed by local jurisdictions directly with the State Control-

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ler may be paid by the Controller.

c. The Department of Corrections, with the approval of the Department of Finance, may transfer funds from Item 5240-101-001, Schedule (a) to Item 5240-001-001, Schedule (a), to pay for private vendor contract costs for transportation of prisoners or fugitives, and subject to Provisions (a) and (b) of Item 5240-101-001.

d. To pay court costs and county charges, payable under Sections 4700.1, 4750–4755 and 6005 of the Penal Code. Provided, that claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is had on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections; and provided further, that expenditures shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller.

Provided further, that claims filed by local jurisdictions directly with the State Controller may be paid by the Controller.

e. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims for retroactive rate adjustments to original claims are exempt from this six months' limitation. Expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections or the fiscal year in which the warrant is issued by the State Controller.

The Department of Corrections, with the approval of the Department of Finance, may transfer funds from Item 5240-101-001, Schedule (b) to Item 5240-001-001, Schedule (b) for the purpose of contracting with private pro-

Item		Amount
viders for the placement of inmates prior to release on parole or in lieu of return to prison, subject to the condition that the Department of Corrections can demonstrate that these contracts are cost effective.		
5240-301-747—For capital outlay, Department of Corrections, payable from the 1988 Prison Construction Fund		12,940,000
Schedule:		
(1) 61.01.001-Statewide—Budget Packages and Advance Planning.	200,000	
(2) 61.05.360-Correctional Training Facility, Soledad: Replace Primary and Secondary Electrical Distribution System—Construction	2,019,000	
(3) 61.05.405-Correctional Training Facility, Soledad: Replace Cell Doors and Locks, North Facility —Working drawings and construction	4,939,000	
(4) 61.05.502-Correctional Training Facility, Soledad: Custody Program/ Administration Bldg., South Facility—preliminary plans	122,000	
(5) 61.05.503-Correctional Training Facility, Soledad: Gymnasium Bldg., South Facility—Preliminary plans and working drawings	85,000	
(7) 61.06.502-Deuel Vocational Institution, Tracy: Upgrade Electrical Distribution System—Working drawings	39,000	
(8) 61.07.204-California State Prison, Folsom: Library Building—Preliminary plans	25,000	
(9) 61.08.008-California Institution for Men, Chino: Renovate Locking Devices, Birch Hall—Construction	813,000	
(10) 61.08.201-California Institution for Men, Chino: Primary and Secondary Electrical Distribution System—Study	75,000	

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(12)	61.08.519-California Institution for Men, Chino: Install Yard Lights, Minimum Facility—Preliminary plans, working drawings and construction	534,000
(13)	61.09.003-California Medical Facility, Vacaville: Railroad Land—Acquisition	60,000
(13.5)	61.12.401-San Quentin State Prison, Neumiller Hospital: Fire, Life, and Safety Deficiencies-Construction	856,000
(14)	61.13.507-California Institution for Women, Frontera: Water System Assessment—Study	85,000
(15)	61.13.508-California Institution for Women, Frontera: Install Light Standards—Preliminary plans and working drawings	34,000
(16)	61.13.510-California Institution for Women, Frontera: Replace Existing Brine Pond Waste Disposal System—Preliminary plans, working drawings and construction	352,000
(17)	61.14.030-Minor Projects	2,609,000
(19)	61.15.412-California Rehabilitation Center, Norco: Visitor Processing Bldg.—Preliminary plans	37,000
(21)	61.16.203-Sierra Conservation Center, Jamestown: Fire Training Center—Preliminary plans and working drawings	56,000

Provisions:

1. The funds appropriated in Schedule (1) are to be allocated by the Department of Corrections, upon approval by the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawing funds, and working drawing and construction funds are expected to be included in the 1990–91 or 1991–92 Governor's Budget, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 1990–91 and 1991–92 Governor's Budgets, respectively. These funds

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may be used for all of the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for that purpose is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.

5240-311-747—For capital outlay, Department of Corrections, payable from the 1988 Prison Construction Fund 6,498,000

Schedule:

(1) 61.01.500-Emergency Modifications to Accommodate overcrowding, Phase I 3,950,000

(2) 61.01.501-Emergency Modifications to Accommodate overcrowding, Phase II 2,150,000

(3) 61.14.030-Minor Projects at San Quentin State Prison (North Dining Hall and Receiving and Release Modifications) 398,000

Provisions:

1. Prior to expenditure of any funds for Emergency Modifications to Accommodate Overcrowding, Phase II, (category (2)), the Department of Finance shall provide notification to the Legislature, pursuant to the provisions of Section 28.00, of the following: (a) plan of expenditure, (b) schedule of activities, (c) project scope, and (d) implementation plan for each project at each prison.

5240-490—Reappropriation, Department of Corrections. The balances of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations.

Schedule:

724—1984 Prison Construction Fund

(1) Item 5240-301-724(1), Budget Act of 1988, 61.08.514-California Institution for Men: Hospital Licensure—Construction.

(2) Item 5240-301-724(2), Budget Act of 1988, 61.09.002-California Medical Facility: Hospital Licensure—Construction.

(3) Item 5240-301-724(3), Budget Act of 1988,

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61.10.401-California Men's Colony: Hospital Licensure—Construction.

(4) Item 5240-301-724(7), Budget Act of 1986, 61.04.201-California Correctional Institution: Brine Ponds—Preliminary plans, working drawings and construction as reappropriated by Item 5240-490, Budget Act of 1988.

(5) Item 5240-301-724(12), Budget Act of 1986, 61.13.505-California Institution for Women: Purchase Additional Sewage Capacity as reappropriated by Item 5240-490, Budget Act of 1988.

746—1986 Prison Construction Fund

(6) Item 5240-301-746(3), Budget Act of 1988, 61.15.410-California Rehabilitation Center: New Domestic Water Supply System—Preliminary plans and working drawings.

747—1988 Prison Construction Fund

(7) Item 5240-301-747(2), Budget Act of 1988, 61.03.200-California Correctional Center: Emergency Electrical System Improvements—Construction.

(8) Item 5240-301-747(3), Budget Act of 1988, 61.04.200-California Correctional Institution: Emergency Electrical System Improvements—Construction.

(9) Item 5240-301-747(5), Budget Act of 1988, 61.05.200-Correctional Training Facility: Emergency Electrical System Improvements—Construction.

(10) Item 5240-301-747(6), Budget Act of 1988, 61.05.360-Correctional Training Facility: Replace Primary and Secondary Electrical Distribution System—Preliminary plans and working drawings.

(11) Item 5240-301-747(9), Budget Act of 1988, 62.06.008-Deuel Vocational Institution: Replace Locking Device System, East and West Halls—Preliminary plans and working drawings.

(12) Item 5240-301-747(10), Budget Act of 1988, 61.06.200-Deuel Vocational Institution: Emergency Electrical System Improvements—Construction.

(13) Item 5240-301-747(12), Budget Act of 1988, 61.07.200-California State Prison, Folsom: Emergency Electrical System Improve-

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	ments—Construction.	
(14)	Item 5240-301-747(13), Budget Act of 1988, 61.07.201-California State Prison, Folsom: Construct Two Security Processing Facilities —Construction.	
(15)	Item 5240-301-747(15), Budget Act of 1988, 61.08.200-California Institution for Men: Emergency Electrical System Improvements—Construction.	
(16)	Item 5240-301-747(17), Budget Act of 1988, 61.08.517-California Institution for Men: Reception Center/Visitor Processing Building and Parking—Preliminary plans and working drawings.	
(17)	Item 5240-301-747(19), Budget Act of 1988, 61.09.200-California Medical Facility: Emergency Electrical System Improvements—Construction.	
(18)	Item 5240-301-747(20), Budget Act of 1988, 61.10.400-California Men's Colony: Emergency Electrical System Improvements—Construction.	
(19)	Item 5240-301-747(23), Budget Act of 1988, 61.12.400-San Quentin State Prison: Emergency Electrical System Improvements—Construction.	
(20)	Item 5240-301-747(24), Budget Act of 1988, 61.13.200-California Institution for Women: Emergency Electrical System Improvements—Construction.	
(21)	Item 5240-301-747(26), Budget Act of 1988, 61.15.200-California Rehabilitation Center: Emergency Electrical System Improvements—Construction.	
(22)	Item 5240-301-747(28), Budget Act of 1988, 61.16.200-Sierra Conservation Center: Emergency Electrical System Improvements—Construction.	
(23)	Item 5240-301-747(29), Budget Act of 1988, 61.16.201-Sierra Conservation Center: Security Locks, Doors and Window Sashes, Calaveras Unit—Preliminary plans and working drawings.	

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5240-491—Reappropriation, Department of Corrections. The balances of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations and any additional purposes provided for in this item.

036—Special Account for Capital Outlay

(1) Chapter 1314, Section 5(b), Statutes of 1986, 61.12.405-San Quentin State Prison: Renovation—Including cell block, kitchen, laundry, inmate labor, A&E, and construction management services.

723—New Prison Construction Fund

(2) Item 5240-311-723(7.2), Budget Act of 1983, 61.11.005-California State Prison-San Diego: Offsite Development and Utilities—Preliminary plans, working drawings and construction as reappropriated by Item 5240-491, Budget Act of 1988 (1989/90 reappropriation includes associated reimbursements).

(3) Chapter 958, Section 10(E)(1), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.18.021-California State Prison-Ione: One 1200 Bed, Levels I and III, Facility—Studies, site acquisition, preliminary plans, working drawings and construction as reappropriated by Item 5240-491, Budget Act of 1988.

(4) Chapter 958, Section 10(G), Statutes of 1983, amended by Chapter 1743, Section 5.5, Statutes of 1984, 61.01.017-Conservation and Maintenance Camps—Preliminary plans, working drawings and construction as reappropriated by Item 5240-491, Budget Act of 1988.

724—1984 Prison Construction Fund

(5) Chapter 932, Section 7(a), Statutes of 1985, 61.17,003-California State Prison-Avenal: 3000 Bed Facility in the Vicinity of Avenal, Kings County—Site acquisition, site studies and suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment items as reappropriated by Item 5240-491, Budget Act of 1988 (1989/90 reappropriation includes associated reimbursements).

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(6) Chapter 933, Section 8.5(a)(1), Statutes of 1985, amended by Chapter 532, Section 8, Statutes of 1986, 61.16.012-Construction of 500 Level III Beds at the Sierra Conservation Center at Jamestown as reappropriated by Item 5240-491, Budget Act of 1988.

(7) Item 5240-311-724(17), Budget Act of 1984, 61.11.500-California State Prison-San Diego: Level I Support Services Complex and Level III Facilities—Construction as reappropriated by Item 5240-491, Budget Act of 1988 (1989/90 reappropriation includes associated reimbursements).

(8) Item 5240-311-724(18), Budget Act of 1984, 61.11.500-California State Prison-San Diego: Level I Support Services Complex and Level III Facilities—Equipment as reappropriated by Item 5240-491, Budget Act of 1988.

746—1986 Prison Construction Fund

(9) Chapter 1314, Section 5(a), Statutes of 1986, 61.12.405-San Quentin State Prison: Renovation—Including cell block, kitchen, laundry, inmate labor, A&E, and construction management services.

(10) Chapter 1314, Section 5(c), Statutes of 1986, 61.07.203-California State Prison-Folsom: Renovation of Food Services Facilities —Master planning, architectural programming, schematics, preliminary plans, working drawings, construction and long lead.

(11) Chapter 1393, Section 13(c), Statutes of 1986, 61.01.014-Modoc Camp: Minimum Security Work-Based Facility—Acquisition, site studies and suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment.

(12) Chapter 532, Section 10(c), Statutes of 1986, 61.22.020-California State Prison-Riverside: 2000 Bed Facility—Acquisition, site studies and suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment.

(13) Chapter 532, Section 10(e)(1), Statutes of

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1986, 61.04.006-Southern Maximum Security Complex at Techachapi: Support Services Facility—Acquisition, site studies and suitability reports, environmental assessment studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment (1989/90 reappropration includes associated reimbursement).

(14) Chapter 532, Section 10(e)(2), Statutes of 1986, 61.03.101-California Correctional Center at Susanville: Support Services Facility —Acquisition, site studies and suitability reports, environmental assessment studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment (1989/90 reappropriation includes associated reimbursement).

(15) Chapter 532, Section 10(e)(3), Statutes of 1986, 61.16.013-Sierra Conservation Center at Jamestown: Support Services Facility—Acquisition, site studies and suitability reports, environmental assessment studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead and equipment (1989/90 reappropriation includes associated reimbursement).

747—1988 Prison Construction Fund

(16) Item 5240-301-747(1.5), Budget Act of 1988, 61.01.017-McCain Valley Conservation and Maintenance Camp: Kitchen Improvements—Workings drawings and construction.

Provisions:

1. In addition to the purposes established in prior statutes, the projects scheduled as (2), (7), and (8) in this item shall continue to be available for the additional purposes, within the project for which the funds were originally appropriated, as necessary, of acquisition and construction.

5430-001-001—For support of the Board of Corrections 528,000

Schedule:

(a) 11-Standards for Detention Facilities 528,000

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(b) 12-County Jail Construction Financing Program	2,123,000	
(c) 21-Standards and Training for Local Officers	1,842,000	
(d) Program 31.01-Administration	232,000	
(e) Program 31.02-Distributed Administration	−232,000	
(f) Amount payable from the Corrections Training Fund (Item 5430-001-170)	−1,842,000	
(g) Amount payable from the County Jail Capital Expenditure Fund, Bond Act of 1988 (Item 5430-001-796)	−416,000	
(h) Amount payable from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1986 (Item 5430-001-711)	−1,707,000	
5430-001-170—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from Corrections Training Fund		1,842,000
5430-001-711—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the County Correctional Facility Capital Expenditure Fund, Bond Act of 1986		1,707,000
5430-001-796—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the County Jail Capital Expenditure Fund, Bond Act of 1988		416,000
5430-101-170—For local assistance, Board of Corrections, Program 21—Standards and Training for Local Officers, payable from Corrections Training Fund		12,774,000
5440-001-001—For support of the Board of Prison Terms, Program 10		12,034,000
5450-001-001—For support of the Youthful Offender Parole Board, Program 10		3,135,000
5460-001-001—For support of the Department of the Youth Authority		291,519,000
Schedule:		
(a) 10-Prevention and Community Corrections	4,574,000	
(b) 20-Institutions and Camps	275,441,000	
(c) 30-Parole Services	32,373,000	
(d) 50.01-Administration	16,069,000	
(e) 50.02-Distributed Administration	−15,867,000	
(f) Reimbursements	−18,144,000	

Item		Amount
(i) Amount payable from the 1988 Prison Construction Fund (Item 5460-001-747)	−733,000	
(j) Amount payable from the County Correctional Facility Capital Expenditure Bond Act of 1988 (Item 5460-001-796)	−199,000	
(k) Amount payable from the State Lottery Education Fund (Item 5460-001-831)	−701,000	
(*l*) Amount payable from the Federal Trust Fund (Item 5460–001–890)	−1,294,000	
5460-001-747—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the 1988 Prison Construction Fund		733,000
5460-001-796—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the 1988 County Correctional Facility Capital Expenditure Fund		199,000
5460-001-831—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the California State Lottery Education Fund—California Youth Authority		701,000
Provisions:		
1. All funds received pursuant to Proposition 37 that are allocable to the Department of the Youth Authority pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. Such additional funds may be expended only upon written approval of the Department of Finance.		
5460-001-890—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the Federal Trust Fund		1,294,000
5460-101-001—For local assistance, Department of the Youth Authority		73,905,000
Schedule:		
(a) 10-Prevention and Community Corrections	70,105,000	
(b) 20-Institutions and Camps	95,000	
(c) 30-Parole Services	3,705,000	
Provisions:		
1. Of the amount appropriated within Schedule (a), $2,307,000 is available to contract with pub-		

Item		Amount
	lic or private agencies engaged in prevention of delinquency, as authorized by Article 5.5 (commencing with Section 1790) and Article 10 (commencing with Section 1900) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority.	
	2. Of the amount appropriated within Schedule (b), $95,000 is available to pay the transportation costs of persons committed to the Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.	
	3. Of the amount appropriated within Schedule (c), $3,705,000 is available to reimburse counties for the cost of the detention of Youth Authority parolees, who are detained on alleged parole violations, pursuant to Section 1776 of the Welfare and Institutions Code, provided, that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.	
	4. Of the amount appropriated within Schedule (a), $67,298,000 is provided to support the County Justice System Subvention Program in accordance with Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code. Notwithstanding any other provision of law, and county receiving funds from the County Justice System Subvention Program shall use those funds in the 1989–90 fiscal year for the purposes specified in Section 1806 of the Welfare and Institutions Code.	
5460-301-747—For capital outlay, Department of the Youth Authority, payable from the 1988 Prison Construction Fund		2,477,000

Item		Amount
Schedule:		
(1) 60.01.035-Statewide: Budget Packages and Advance Planning		100,000
(2) 60.26.015-Northern California Youth Center: Convert Laundry to Free Venture—Preliminary plans and working drawings		32,000
(3) 60.26.025-Northern California Youth Center: New Staff Training Center—Preliminary plans		191,000
(4) 60.52.030-El Paso de Robles School: Commissary Warehouse Addition—Construction.....		334,000
(5) 60.67.025-Youth Training School: Consolidate Security/Business Services—Construction		456,000
(7) 60.90.010-Minor Projects.....		1,364,000
Provisions:		
1. The funds appropriated in Schedule (1) are to be allocated by the Department of the Youth Authority, upon approval by the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawing funds, and working drawing and construction funds are expected to be included in the 1990–91 or 1991–92 Governor's Budget, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 1990–91 and 1991–92 Governor's Budgets, respectively. These funds may be used for all of the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for that purpose is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.		
5770-001-001—For support of the Robert Presley Institute of Corrections Research and Training Institute, Program 10.....		566,000

EDUCATION

6110-001-001—For support of Department of Education	50,667,000

Item		Amount
	Schedule:	
	(a) 10-Instruction	40,314,000
	(b) 20-Instructional Support	36,311,000
	(c) 30-Special Programs	14,728,000
	(d) 41.00-Executive Management and Special Services	8,276,000
	(e) 42.01-Department Management and Special Services	29,116,000
	(f) 42.02-Distributed Department Management and Special Services	−29,116,000
	(g) Reimbursements	−5,448,000
	(h) Amount payable from Federal Trust Fund (Item 6110-001-890)	−43,264,000
	(j) Reimbursements-Special Schools Study	−250,000
	Provisions:	
	2. Of the funds appropriated in this item, $80,400 shall be utilized solely for California's participation in the Education Commission of the States.	
	7. Of the funds appropriated in this item, an amount of not less than $92,000 shall be available only for reimbursement of in-state travel expenses of the State Board of Education.	
	8. Of the funds appropriated in this item, $38,000 shall be available for departmental administrative costs in implementing the Year-Round Schools Demonstration Program known as the Orchard Plan.	
	12. Of the funds appropriated in this item, $182,000 shall be for the state operations costs of the department to conduct the Beginning Teacher Support and Assessment Study.	
	13. Notwithstanding Section 33403 of the Education Code or any other provision of law, no funds appropriated pursuant to this act shall be used to prepare sections of the "Consolidated Evaluation of State and Federal Categorical Programs" that relate to state categorical programs, and no more than $49,000 of the amount appropriated in this item and Item 6110-001-890 shall be used to prepare the remaining portion of the report. Of the amount appropriated in this item, the State Department of Education (SDE) shall use (1) $49,000 to conduct a comprehensive evaluation of California Indian	

Item		Amount
	Education Centers program in accordance with the plan SDE submitted to the Legislature on September 15, 1988, and (2) $25,000 to complete a study on improving the effectiveness of continuation high schools. A portion of the latter study shall be supported with funds budgeted for interbranch projects.	
	14. An interagency agreement shall be executed between the State Department of Education and the Office of the Legislative Analyst, which shall provide for the transfer of $75,000 of the amount appropriated in this item to the Office of the Legislative Analyst. The Office of the Legislative Analyst shall expend that amount, or as much thereof as may be necessary, for the purpose of (1) contracting with an individual, group of individuals, firm, or organization deemed qualified and competent by the Legislative Analyst to survey child care providers in California and analyze the results as described in supplemental report language for this item; and (2) paying any overhead costs associated with the supervision of the contract.	
	15. The sum of $175,000 shall be transferred to the State Department of Education from its allocation in Section 22.00 for the 1989–90 fiscal year for activities of the Statewide Resource and Referral Network to conduct a statewide GAIN child care market rate survey. The results of the survey shall be provided to the Department of Education and the Department of Social Services by the Statewide Resource and Referral Network by April 15, 1990. Appropriate reductions of the $175,000 General Fund amount shall occur if it is determined that any of the activities may be claimed for federal reimbursement under the Family Support Act.	
	16. Of the funds appropriated in this item, $75,000 shall be for the College Admissions Test Preparation projects.	
	17. Of the funds appropriated in this item, $140,000 shall be for the support of the California Planning Commission for Educational Technology.	
	18. Of the amount appropriated in this item, $100,000 shall be available for the State Depart-	

Item	Amount
ment of Education for the preparation of a plan for the implementation of statewide class size reduction on an incremental basis. The plan shall consider, but not be limited to, the following: cost of each increment including facility costs, availability and sources of funds, likelihood of improved educational outcomes, ultimate class size goals, timetable for achieving the ultimate class size objective, and the total cost for the entire plan.	
19. Of the amount appropriated in this item, $6,896,000 shall be available for the payment of an existing federal audit exception related to the unemployment insurance rates assessed against federally supported salaries in school districts.	
6110-001-178—For support of the Department of Education, Program 20—Instructional Support, for the purpose of conducting school bus driver instructor training as provided in Section 40070 of the Education Code, payable from the Driver Training Penalty Assessment Fund	877,000
6110-001-305—For support of Department of Education, Program 30.30—Postsecondary Education, payable from the Private Postsecondary Education Administration Fund	1,680,000
Provisions:	
1. Funds provided by this item are for support of the Private Postsecondary Education Division and the Private Postsecondary Education Council pursuant to Chapter 791, Statutes of 1981.	
2. Notwithstanding any other provision of law, up to $46,000 of the amount appropriated in this item shall be transferred to Item 6420-001-001 to reimburse staff costs of the California Postsecondary Education Commission (CPEC) associated with the evaluation of private postsecondary education institutions.	
6110-001-344—For support of Department of Education, Program 20.30 Administrative Services to local educational agencies, payable from the State School Building Lease-Purchase Fund	1,314,000
Provisions:	
1. Funds appropriated by this item are for support of the activities of the School Facilities Planning Division and are to be used exclusively for activities authorized by statute or memorandum	

Item		Amount
	of understanding between the Department of Education and the Department of General Services, Office of Local Assistance, which are related to local school construction, reconstruction, rehabilitation, modernization, maintenance, deferred maintenance, year-round school programs, and school site acquisition.	
6110-001-687—For support of Department of Education, for the California State Agency for Donated Food Distribution, Program 30.50—Food Distribution, payable from the Donated Food Revolving Fund		13,129,000
6110-001-890—For support of Department of Education, for payment to Item 6110-001-001 payable from the Federal Trust Fund		43,264,000
Provisions:		
	1. Of the funds appropriated in this item, $1,164,000 of the 1988–89 Federal Vocational Education Act funds shall be transferred to the community colleges by means of interagency agreements. These funds shall be used by the community colleges for the administration of vocational education programs.	
	2. Of the funds appropriated in this item, $47,500 is available to the Advisory Commission on Special Education for the in-state travel expenses of the commissioners and the secretary to the commission.	
	3. Of the funds appropriated in this item, $470,000 is available for programs for homeless youth and adults pursuant to the federal Stewart B. McKinney Act. The department will participate on the Health and Welfare Agency Homeless Task Force and will consult with the Departments of Economic Opportunity, Mental Health, Housing and Community Development, and Economic Development in operating this program.	
6110-003-001—For support, Department of Education, Program 20—Instructional Support		1,900,000
6110-006-001—For support of Department of Education as allocated by the Department of Education to the State Special Schools, Program 10.60.040		41,770,000
Schedule:		
	(a) 10.60.040-Instruction 45,733,000	
	(b) Reimbursements ..... −3,813,000	

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(c)	Amount payable from the Lottery Education Fund (Item 6110-006-814)	−150,000

Provisions:

1. On or before January 15 of each year the superintendent of each State Special School shall report to each district the number of pupils from that district that are attending a State Special School, and the estimated payment due on behalf of the district for those pupils pursuant to Education Code Section 59300. The State Controller shall withhold from the State School Fund in the first principal apportionment of that fiscal year the amount due from each school district as reported to the Controller by the Superintendent of Public Instruction. The amount withheld shall be transferred from the State School Fund to Item 6110-006-001 which supports the State Special Schools. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the fiscal year by reporting to the State Controller the information needed to make the adjustment.
2. Of the amount appropriated in this item, $362,000 shall be available for the assessment centers at the State Special Schools.
3. Of the funds appropriated in this item, $250,000 is for reimbursement to Item 6110-001-001 for the purpose of a study to review the mission, cost effectiveness, and staffing of the state special schools. The review shall include a comparison of the state special schools with the other state funded options for serving severely or multiply handicapped students, including programs provided by nonpublic schools as well as the special education local plan areas, with respect to the characteristics of the populations served and the costs and cost effectiveness of the provision of services. The Department of Education, in consultation with an advisory committee composed of representatives of the policy and fiscal committees of the Legislature, the Office of the Legislative Analyst, the deaf and blind communities, and the State Department of Finance shall expend these funds for the purpose of contracting, through a competitive bid process,

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with an organization deemed qualified and competent to conduct this review. The advisory committee shall assist in the development of a request-for-proposal and the selection of the contractor. Up to $2,500 of the amount may be expended by the Department of Education to pay for overhead costs associated with supervision of the contract. The contractor shall, for purposes of this study, convene a technical committee of individuals with expertise in the education of the deaf, blind, and neurologically handicapped to provide advice on the educational needs of handicapped children. The contractor shall evaluate, as part of the study, the information compiled by the Department of Finance regarding diagnostic schools. The contractor shall also estimate the potential impact of children born to mothers who are substance abusers, or children with a high morbidity rate, with respect to the future placements in the state special schools in comparison to the overall educational system. The contractor shall submit an interim report to the Legislature by August 1, 1990, and a final report by October 1, 1990.	
6110-006-814—For support of Department of Education, for payment to Item 6110-006-001, payable from the Lottery Education Fund	150,000
6110-007-001—For support of Department of Education as allocated by the Department of Education to the State Special Schools for student transportation allowances, Program 10.60.040	436,000
Provisions:	
1. Funds appropriated in this item are in lieu of funds which would otherwise be transferred from the General Fund to Section A of the State School Fund in accordance with provisions of Sections 14007 and 41301.5 of the Education Code.	
6110-015-001—For support of Department of Education instructional materials warehousing and shipping costs, Program 20.20.020—Instructional Materials Management and Distribution	318,000
Provisions:	
1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1989–90 fiscal year, pursuant to Article 3 (commencing	

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with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education.		
2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.		
6110-021-001—For support, Department of Education, Program 30.20—Child Nutrition		588,000
Provisions:		
1. The funds appropriated in this item are in lieu of the apportionment of funds specified in Section 41353 of the Education Code, for state administrative expenses related to nutrition education projects.		
6110-101-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, Program 10.10—School Apportionments		9,005,705,000
Schedule:		
(a) Program 10.10.001.001—School Apportionments, District Revenue Limit, for the purposes of Section 42238 of the Education Code	8,853,471,000	
(b) Program 10.10.001.002—School Apportionments, for Necessary Small Schools, in addition to the amount appropriated in category (a) of this item, for the purpose of subdivision (f) of Section 42238 of the Education Code	17,896,000	
(c) Program 10.10.001.004—School Apportionments, for Meals for Needy Pupils programs, for the purpose of Article 11 (commencing with Section 49550) of Chapter 9 of Part 27 of the Education Code	32,893,000	
(d) Program 10.10.001.005—School Apportionments, for apprentice programs, for the purposes of Section 8152 of the Education Code.	5,458,000	

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(e)	Program 10.10.011—School Apportionments, for summer school programs, for the purposes of Section 42239 of the Education Code.....	95,987,000

Provisions:

1. Funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1989–90 fiscal year pursuant to Sections 14002, 14004, and 41301 of the Education Code, an amount as needed, in addition to sums accruing to Section A of the State School Fund from other sources for the purposes specified herein, for apportionment pursuant to Section 42238, Section 42239, and Sections 42240 and 42240.1 of the Education Code.
2. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds specified in Schedule (d) of this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the apprentice programs operated by school districts and county offices of education.
3. Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of $3.76 per hour. For purposes of this division, each hour of teaching time may include up to 10 minutes for passing time and breaks.
4. (a) No school district or county office of education shall use funds available under Schedule (d) to offer any new or expanded apprentice program(s) unless that program(s) has been approved by the Superintendent of Public Instruction.
   (b) Upon the approval of the Superintendent of Public Instruction, school districts and county offices of education may use funds available under Schedule (d) for an apprentice program that is transferred to the

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school district from a community college district in 1989–90.

(c) For any apprentice program offered pursuant to Section 8152 of the Education Code that is transferred from K–12 school district or a county office of education to a community college district in 1989–90, the Controller, upon certification by the Superintendent of Public Instruction, shall transfer, prior to the first or second principal apportionment, as appropriate, from Schedule (d) of this item to Schedule (a) of Item 6870-101-001 an amount equal to the number of hours for which the apprentice program received funding in 1988–89 times $3.76.

(d) The Director of Finance may approve any transfer authorized by this provision, provided that such transfer may not be authorized sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

5. The Superintendent of Public Instruction shall report to the Department of Finance and the Legislature no later than October 1, 1989, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprentice program during the 1988–89 fiscal year, with information to be provided by school district, county office of education, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs funded for the Department of Education, school districts, and county offices of education. In addition, the report shall identify the hours of related and supplemental instruction proposed for the 1989–90 and 1990–91 fiscal years by school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship program, K–12

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school districts and county offices of education shall report to the Superintendent of Public Instruction the information necessary for the completion of this report.

6. Notwithstanding Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of the Education Code, or any other provision of law, the total number of hours eligible for reimbursement in apprentice programs operated by K–12 school districts and county offices of education shall be limited to an amount equal to the total appropriation specified in Schedule (d) of this item divided by the hourly rate specified in Provision 3 and as adjusted by Provision 4(b). The Superintendent of Public Instruction shall have the authority to determine which apprentice programs, and which hours offered in such programs, are eligible for reimbursement.
7. Notwithstanding any other provision of law, the county superintendent shall reduce the total revenue limit computed pursuant to Section 42238 of the Education Code by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System, through the 1989–90 fiscal year.

   The reduction shall be calculated as follows:

   (a) Determine the amount of employer contributions which would have been made in the 1989–90 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1989–90 fiscal year.

   For purposes of this calculation, no school district shall have a contribution rate higher than 13.020 percent.

   (b) Subtract from the amount determined in subdivision (a) the actual amount of employer contributions made to the Public

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Employees' Retirement System in the 1989–90 fiscal year.

(c) For the purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above;

(1) Positions supported totally by federal funds which are subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6 of the Education Code.

(3) Positions supported, to the extent of employer contributions not exceeding $25,000 by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

It is the intent of the Legislature to make adjustments to school district revenue limits for the 1989–90 fiscal year to reflect savings that these districts will realize in the contributions to the Public Employees' Retirement System due to a reduced contribution rate for the 1989–90 fiscal year.

8. (a) Notwithstanding paragraph (2) of subdivision (d) of Section 42239 of the Education Code, or any other provision of the law, for the 1989–90 fiscal year a school district's maximum entitlement for pupil attendance in summer school programs offered pursuant to paragraph (2) of subdivision (d) of Section 42239 of the Education Code shall be an amount equal to 7 percent of the district's enrollment for the prior year, times 120 hours, times the hourly rate for the 1989–90 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code.

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(b) Notwithstanding paragraph (2) of subdivision (d) of Section 42239 of the Education Code, or any other provision of the law, the Superintendent of Public Instruction shall reallocate to any school district any unexpended balance of the appropriations made for the 1989–90 fiscal year for reimbursement for actual pupil attendance in summer school programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code that exceeds the maximum reimbursement that is available under subdivision (b) of this provision. In no event shall any district receive reimbursement for pupil attendance in summer school programs in excess of 10 percent of the district's enrollment for the prior year, times 120 hours, times the hourly rate for the 1989–90 fiscal year determined pursuant to subdivision (c) of Section 42239 of the Education Code

(c) Of the funds received pursuant to subdivisions (a) and (b) of this provision, priority shall be given to providing classes for students who have failed any core curriculum course, or who have accumulated fewer course credits toward graduation than the average student of equivalent age or grade level as determined by the local governing board. Funds also shall be provided to help students meet college entrance requirements.

(d) As a condition of receiving funds pursuant to subdivisions (a) and (b), the county superintendent shall report to the Superintendent of Public Instruction on or before November 15, 1989, the number of students who attended each class and the number and type of classes conducted.

(e) Notwithstanding subdivision (e) of Section 42239 of the Education Code, for the 1989–90 fiscal year, the Superintendent of Public Instruction shall allocate a minimum of $5,800 for supplemental summer school programs in those districts whose prior year enrollment was less than 500 and that, in

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the 1989–90 fiscal year, offer at least 1,500 hours of supplemental summer school instruction. A small school district, as defined above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code.

9. (a) From funds appropriated by this item, the State Department of Education is authorized to pay the United States Department of Education an amount not to exceed $203,339 in final settlement of the final audit determination issued by the State Department of Education on behalf of the U.S. Department of Education as prescribed by the U.S. Office of Management and Budget Circular A-102. Attachment P (Single Audit) and identified under federal audit ACN 09-41535. The State Department of Education shall reduce the revenue limit apportionment amount otherwise to be provided to the school district identified in the audit by the amount owing.

The amount which is repaid to the state under the provisions of Section 459 of the General Education Provisions Act (20 U.S.C. 1234h) shall be apportioned to the district in accordance with any grant-back plan submitted by the district and the State Department of Education and approved by the United States Department of Education.

(b) For federal audit actions which became final by entry of judgment or final administrative decision on or after July 1, 1987, and which required repayment of funds to the federal government by the State Department of Education for federal audit exceptions based on findings in any school district or any other agency receiving such federal funds through the State Department of Education, the amount of such repayments,

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with interest due the federal government, may be deducted from the apportionment made to those districts or agencies by the Superintendent of Public Instruction from the funds appropriated by this item. The amount which is repaid to the state under the provisions of Section 459 of the General Education Provisions Act (20 U.S.C. 1234h) shall be apportioned to the district in accordance with any grantback plan submitted by the district and the State Department of Education and approved by the United States Department of Education.

10. Notwithstanding subdivision (b) of Section 46200 of the Education Code, for any school district which received an apportionment pursuant to subdivision (a) of Section 46200 of the Education Code and which offers less than 180 days of instruction in the 1989–90 fiscal year, the Superintendent of Public Instruction shall reduce the base revenue limit per unit of average daily attendance for 1989–90 by an amount attributable to the increase received pursuant to subdivision (a) of Section 46200, as adjusted by subsequent inflation adjustments and increases in ADA.
11. Notwithstanding any other provision of law, for the purpose of calculating entitlements for revenue limit apportionments, the Superintendent of Public Instruction shall increase the number of units of average daily attendance (ADA) for the Victor Valley Union High School District by 300 units in the 1987–88 fiscal year only. In each of the fiscal years 1988–89 through 1992–93, the superintendent shall reduce the district's numbers of units of ADA by 60 units below the level that the district would otherwise be entitled to claim. It is the intent of the Legislature to assist the district in overcoming the severe impacts on its cash flow of a reorganization election which reduced the district's ADA by 70 percent for the 1987–88 fiscal year. It is further the intent of the Legislature that such assistance be provided at no net cost to the state.
12. (a) At such time as the Superintendent of Public Instruction certifies principal ap-

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portionments for the year, the Controller shall transfer, from Schedule (a) of this item to Schedule (a) of Item 6110-111-001, an amount equal to transportation aid pursuant to Section 42240 for school districts choosing to reflect small school district transportation aid in their transportation budget appropriation.

(b) The Director of Finance may approve any transfer authorized by this provision, provided that such transfer may not be authorized sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

15. Of the funds appropriated in subschedule (e) of this item, $580,000 is for transfer to the California State Summer School for the Arts, Item 6255-001-001.

16. (a) No school district may receive apportionments from this item for pupils 19 or older for average daily attendance in excess of the number of units of average daily attendance generated by these pupils in the 1988–89 fiscal year.

(b) Each school district claiming apportionments for units of average daily attendance earned through independent study shall report to the Superintendent of Public Instruction on or before November 1, 1989, the number of units of average daily attendance earned through independent study in the 1988–89 fiscal year for pupils aged 19 or older as of December 31, 1988. The reported data shall be subject to audit by the Auditor General. The Superintendent of Public Instruction shall reduce apportionments to school districts by an amount equal to twice the base revenue limit per average daily attendance multiplied by the number of units of average daily attendance that the Auditor General

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identifies as having been reported inaccurately, if the Auditor General finds that the reports have not generally been prepared accurately and in accordance with prudent management standards.

(c) On or before February 15, 1990, the Superintendent of Public Instruction shall report to the Legislature the number of units of average daily attendance claimed for independent study for the 1988–89 and 1989–90 fiscal years. The report shall identify the number of units of average daily attendance for pupils by the following age groups: (1) 21 or older; (2) under 19; (3) 19 and 20, who have been continuously enrolled since their eighteenth birthday; and (4) 19 and 20, who have not been continuously enrolled since their eighteenth birthday. For age group categories (1) and (4), the report shall indicate the number of units of average daily attendance that were served in dropout prevention and recovery programs in either educational clinics or alternative education work centers. School districts shall report to the State Department of Education in a time and manner specified by the Superintendent of Public Instruction as necessary to compile the report required by this provision.

(d) The Superintendent of Public Instruction shall notify each school district that the Legislature and Governor intend to enact program and fiscal reforms concerning independent study programs for adults which will probably become effective July 1, 1990, and which will impose new fiscal or program restrictions on these programs.

(e) It is the intent of the Legislature that the cap on pupils enrolled in independent study shall be continued in subsequent fiscal years, unless necessary program and fiscal reforms are enacted in the 1989 portion of the 1989–90 Regular Session. The reforms shall provide equity in funding for adults regardless of instructional mode. It

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is further the intent of the Legislature that if the reforms are not enacted, the funding shall be reduced, over a three-year period beginning in fiscal year 1990–91, to the statewide average level per average daily attendance paid for pupils in adult education programs, with the savings generated by this reduction to be redirected to adult education programs.

17. The State Department of Education shall conduct a review of the practices of all districts and county offices with regard to claims for apportionments for attendance of pupils who are inmates of county jails, county honor farms, or county industrial farms, and shall review all related statutes and report their findings to the Joint Legislative Budget Committee and fiscal subcommittees prior to the budget hearings for fiscal year 1990–91. The report shall include recommendations for changes to resolve any inconsistencies or misuse of funds If statutory changes are not enacted to address any problems identified in the study prior to fiscal year 1990–91, it is the intent of the Legislature to adopt provisions which will eliminate any misuse of funds, and will clarify the existing statutes with regard to the use of funds from this item for independent study
18. It is the intent of the Legislature that no administrative action by the State Department of Education shall reduce the apportionment per unit of average daily attendance for programs for the education of inmates in county jails below the lesser of (1) the rate earned for such unit of average daily attendance in the 1988–89 fiscal year, or (2) the 1989–90 fiscal year average revenue limit per unit of average daily attendance for unified districts. It is the further intent of the Legislature that 1989–90 fiscal year apportionments pursuant to this paragraph be based on the lesser of the number of units of average daily attendance in fiscal year 1988–89 or 1989–90.
19. For the purpose of computing the 1989–90 advance apportionments pursuant to Section 41330 of the Education Code, the 1988–89 second principal apportionment property tax rev-

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	enue for the Whittier Union High School District pursuant to Chapter 3 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code, shall be reduced by the Superintendent of Public Instruction by the amount of $1,830,581.	
	20. Of the funds appropriated in this item, $90,000 shall be allocated to the Los Molinos Unified School District for the purpose of funding a decrease in average daily attendance between the 1988–89 and 1989–90 fiscal years.	
6110-101-814—For local assistance, Department of Education, Program 10.10, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund		808,103,000
	Provisions:	
	1. All funds received pursuant to Proposition 37 that are allocable to K–12 local education agencies pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6110-101-890—For local assistance, Department of Education, Federal Block Grant under Chapter 2 of the Education Consolidation and Improvement Act, payable from the Federal Trust Fund		39,734,000
	Schedule:	
	(a) 10-Instruction	38,298,000
	(b) 20-Instructional support	1,436,000
	Provisions:	
	1. Of the funds appropriated by this item, $300,000 shall be allocated as a grant by the Superintendent of Public Instruction to a private, nonprofit foundation for the purpose of conducting a program on youth and the administration of justice in at least 150 school districts. These funds shall be allocated in four equal installments during the 1989–90 fiscal year on September 1, December 1, February 1, and May 1.	

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6110-102-001—For local assistance, Department of Education for transfer to Section A of the State School Fund, for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code, Program 10.10.004—School Apportionments, Regional Occupational Centers and Programs	220,562,000

Provisions:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1989–90 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code.
2. Funds appropriated in this item shall be apportioned by the Superintendent of Public Instruction pursuant to Article 1.5 (commencing with Section 52335) of Chapter 9 of Part 28 of the Education Code.
3. Because Chapter 482, Statutes of 1984 was chaptered after Chapter 268, Statutes of 1984, the Legislature's intent regarding the eligibility of Regional Occupational Centers and Programs for incentive funding for a longer instructional year under Section 46200 of the Education Code was not carried out. It is the intent of the Legislature that Regional Occupational Centers and Programs not be eligible for such incentive funding.

   Notwithstanding any other provision of law to the contrary, none of the funds appropriated in this item are for the purposes of providing or continuing incentive funding for a longer instructional year pursuant to Section 46200 of the Education Code.
4. Of the amount appropriated in this item, $5,096,000 shall be available for funding growth in allowable levels of average daily attendance.
5. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in

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the Greater Avenues for Independence Program established by Chapter 1025 of the Statutes of 1985 may be apportioned on an advance basis to local education agencies based on expected units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.

6110-106-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, for the purposes of Sections 1909, and 2558 of the Education Code, Program 10.10.005—County Offices of Education School Apportionment..... 119,708,000

Provisions:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1989–90 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to Article 3 (commencing with Section 2550) of Chapter 12 of Part 2, of the Education Code, excluding amounts for Regional Occupational Centers and Programs operated by County Superintendents of Schools.
2. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in subschedule (a) (5) of Item 6110-226-001 shall be the maximum amount allocated for the purposes of Article 3 (commencing with Section 2550) of Chapter 12 of Part 2 of the Education Code.
3. Notwithstanding any other provision of law, the county superintendent shall reduce the total revenue limit computed pursuant to Section 2558 of the Education Code by the amount of the decreased employer contributions to the Public Employees Retirement System resulting from the applicable employer contributions rate reductions made through the 1989–90 fiscal year, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employ-

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ees' Retirement System. The reduction shall be calculated as follows:

(a) Determine the amount of employer contributions which would have been made in the 1989–90 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1986–87 fiscal year.

(b) Subtract from the amount determined in subdivision (a) the actual amount of employer contributions made to the Public Employees' Retirement System in the 1989–90 fiscal year.

(c) For the purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions supported totally by federal funds which are subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6 of the Education Code.

(3) Positions supported, to the extent of employer contributions not exceeding $25,000 by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

It is the intent of the Legislature to make adjustments to county office of education revenue limits for the 1989–90 fiscal year to reflect savings that these districts will realize in the contributions to the Public Employees' Retirement System due to a reduced contribution rate for the 1989–90 fiscal year.

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8. It is the intent of the Legislature to adjust the revenue limits of the county offices of education in order to reflect savings that these agencies have realized in their contributions to the Public Employees' Retirement System due to reductions in the contribution rate due to the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates. It is the further intent of the Legislature that this adjustment be phased in over a three-year period, with the full amount of the adjustment to be incorporated in the revenue limits of the county offices of education in the 1991–92 fiscal year.
9. The State Department of Education shall conduct a review of the practice of all districts and county offices with regard to claims for apportionments for attendance of pupils who are inmates of county jails, county honor farms, or county industrial farms, and shall review all related statutes, and report their findings to the Joint Legislative Budget Committee and fiscal subcommittees prior to the budget hearings for fiscal year 1990–91. The report shall include recommendations for changes to resolve any inconsistencies or misuse of funds. If statutory changes are not enacted to address the problems identified in the study prior to fiscal year 1990–91, it is the intent of the Legislature to adopt provisions which will eliminate any misuse of funds, and will clarify the existing statutes with regard to the use of funds from this item for independent study.
10. It is the intent of the Legislature that no administrative action by the State Department of Education shall reduce the apportionment per unit of average daily attendance for programs for the education of inmates in county jails below the lesser of (1) the rate earned for such unit of average daily attendance in the 1988–89 fiscal year, or (2) the 1989–90 fiscal year average revenue limit per unit of average daily attendance for unified districts. It is the further intent of the Legislature that 1989–90 fiscal year apportionments pursuant to this paragraph be based on the lesser of the number of

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	units of average daily attendance in fiscal year 1988–89 or 1989–90.	
11.	The State Department of Education shall report to the Legislature by January 1, 1990, on community schools. This report shall include an estimate of the number of students attending community schools in 1988–89 in each county, broken down by the reason for that attendance as follows: (1) on probation, (2) expelled from school, (3) referred by a SARB, and (4) referred by a probation officer (but not actually on probation). For students in categories (1) and (4), the department shall develop county-by-county estimates of the average number of minutes per month of probation officer contact. The estimates may be based on statistically valid sampling procedures. The report also shall include (1) data on the prior school placements of community school students and (2) information to determine why the program has grown statewide over the past five years.	
12.	Notwithstanding any other provision of law, and county superintendent of schools operating juvenile court school, county group homes; and institutions' schools or community schools, or both, shall establish, not later than July 1, 1989, an account in their general fund, to be known as the juvenile court and community school account, and shall deposit all funds derived from the operation of juvenile court, county group home and institutions' schools, and community schools into that account Expenditures from the juvenile court and community school account shall be limited to (1) those expenditures defined as direct costs of instructional programs by the California State School Accounting Manual; (2) expenditures which are defined as documented direct support costs by the California State School Accounting Manual, excepting that costs charged for probation officers shall be limited to not more than the number of full time equivalent probation officers paid for by the county office of education during 1987–88 fiscal year; (3) expenditures which are defined as allocated direct support costs by the California State	

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School Accounting Manual; and (4) other expenditures for support and indirect charges, provided that these charges may not exceed 10 percent of the sum of the expenditures in (1), (2), and (3). Expenditures which represent contract payments to other agencies for the operation of juvenile court and community school programs shall be included in the juvenile court and community school account and the contract costs distributed to the cost categories defined in (1), (2), (3), and (4) above. At the end of any given school year the net ending balance in the juvenile court and community school account may be distributed to a reserved account for economic contingencies or to a reserved account for capital outlay, provided that the combined total transferred does not exceed 15 percent of the previous year's authorized expenditures as specified above and also provided that funds placed in the reserved accounts shall only be expended for juvenile court, county group home and institutions, and community school programs. The net ending balance, except for those funds placed in a capital outlay fund, shall not exceed 15 percent of the previous year's expenditures. A county may accumulate over a period of two or more given school years, a net ending balance in the capital outlay reserved account of not more than 15 percent of the previous fiscal year's expenditures, under provisions of a resolution of the governing board. Funds in the capital outlay reserve are to be used for capital outlay only. The Superintendent of Public Instruction shall require an annual certification by county superintendents of schools, beginning in the 1988–89 fiscal year, that juvenile court, county group home and institutions and community school funds have been expended as provided above and shall withhold from the subsequent year's apportionment an amount equal to any ending balance in the juvenile court and community school account in excess of the transfers to reserves for economic contingencies and capital outlay as described above. The Auditor General shall review the costs reported by counties in the cost categories (1),	

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(2), (3), and (4) defined above to determine if the amounts reported are appropriately attributable to the costs of the juvenile court and community school programs. Prior to beginning the audit, the Auditor General shall review the proposed audit plan with representatives of the Legislative Analyst's Office, the Department of Finance, and the State Department of Education. The results of this review shall be reported to the Joint Legislative Budget Committee, the Superintendent of Public Instruction, and the Department of Finance no later than December 1, 1989.

13. Notwithstanding any other provision of law, only pupils, excepting those permitted pursuant to subdivision (a) and (b) of Section 1981 of the Education Code, who are referred by the county probation department under Section 601 or 654 of the Welfare and Institutions Code after an individualized review and certification of the appropriateness of enrollment in the county group home and institution's school or county community school, shall be enrolled in county community schools. The individualized review shall include representatives of the court, the county department of education, the county probation department, and either the school district of residence or, in cases in which the pupil resides in a group home or institution, the school district in which the group home or institution is located, and, in each case, the school district representative must agree to the appropriateness of the proposed placement and pupils so placed must have a probation officer or other appropriate designee of the probation department assigned to their case.
14. Of the funds appropriated in this item, $35,000 shall be allocated to the Shasta County Office of Education for the purpose of the Shasta County Literacy Festival.
15. Of the amount appropriated in this item, $507,000 shall be used to pay the Federal Audit Claim for the Migrant Mini-Corps Program.
16. (a) Of the funds appropriated by this item, up to $100,000 shall be reserved for transfer by the Superintendent of Public Instruction to a county office of education which shall

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	be responsible for preparing a base funding model report. (b) The county office of education shall establish a task force with a representative sample of urban, suburban, and rural county offices and school districts. In addition to these representatives, the task force shall include representatives from the Department of Education and education staff from legislative fiscal and policy committees. (c) The task force shall develop a base funding allocation model which would address the issues and recommendations in the report of the Governor's commission on educational quality. (d) The task force may use the 1976 funding model as a base for modifications and adjustments for current data. The task force shall not require or request any new data collection efforts and shall use only current available data. (e) The task force report shall be presented to the Joint Legislative Budget Committee, the Department of Finance, and the legislative fiscal and policy committees no later than January 1, 1990. The Legislative Analyst and the Director of Finance shall review the report and, within 90 days following its receipt, shall present to the Legislature their respective comments and recommendations regarding the report, as appropriate (f) The funds subject to this provision may be used for necessary travel, per diem, meetings, and overhead expenses. The reimbursement rates shall be no more than the state rates. (g) Every effort will be made to ensure that the ethnic/racial composition of the task force will reflect the current K–12 ethnic /racial distribution of K–12 students of the public schools in California.	
6110-109-001—For local assistance, Department of Education, Program 20.60.020.002—Tenth Grade Counseling Program, for the purposes of Section 48431.7 of the Education Code.....		7,115,000

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Provisions:

1. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item shall be the maximum amount allocated for the purposes of Section 48431.7 of the Education Code.

6110-111-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, Program 10.10—School Apportionments..... 293,462,000

Schedule:

(a) Program 10.10.006–School Apportionments, for the purposes of Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code..... 290,311,000

(b) Program 10.10.008–School Apportionments, for the purposes of Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code..... 3,151,000

Provisions:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1989–90 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 and Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.
2. Notwithstanding any provision of law to the contrary, the funds provided in category (a) of this item shall be the only funds provided for the purposes of Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code, and shall be apportioned to school districts and county superintendents of schools pursuant to Section 41851 of the Education Code.
3. Notwithstanding any other provision of law to the contrary, the amount appropriated in cate-

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	gory (b) of this item shall be the maximum amount allocated for the purposes of Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.		
6110-114-001—For local assistance, Department of Education, for transfer to the State Controller, for reimbursement of claims received pursuant to Sections 42243.6 and 42247 of the Education Code, (court-ordered desegregation) Program 10.10.018—School Apportionments....			382,361,000
Schedule:			
(a) 10.10.018—Instruction: School Apportionments—court-ordered desegregation.....		382,361,000	
(1) Bakersfield Unified Elementary School District.....	3,162,000		
(2) Los Angeles Unified School District 276,445,000			
(3) San Bernardino Unified School District	7,418,000		
(4) San Diego Unified School District.....	41,869,000		
(5) San Francisco Unified School District	28,456,000		
(6) San Jose Unified School District.....	21,887,000		
(7) Stockton Unified School District.....	2,618,000		
(8) Palo Alto Unified School District.....	261,000		
(9) Ravenswood City Elementary School District.....	49,000		
(10) Redwood City Elementary School District....	15,000		
(11) San Mateo County Superintendent....	74,000		
(12) Santa Clara County Office of Education	1,000		

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(13) Sequoia High School District	106,000	

Provisions:

1. Funds appropriated by this item are for reimbursement of amounts necessary to pay costs of integration programs in districts initially mandated by the courts, as defined in Section 2205 of the Revenue and Taxation Code pursuant to any final court order issued after January 1, 1978.
2. The State Controller shall allocate funds appropriated in this item in accordance with the provisions of Sections 42243.6 and 42247 of the Education Code. Pursuant to the provisions of Section 42243.8 of the Education Code, the State Controller shall reimburse claims received pursuant to Sections 42243.6 and 42247 of the Education Code only from funds appropriated specifically for that purpose by the Legislature.

6110-115-001—For local assistance, Department of Education, for transfer to the State Controller, for reimbursement of claims received pursuant to Sections 42247 and 42249 of the Education Code, (voluntary desegregation) Program 10.10.019 —School Apportionments 62,128,000

Schedule:

(1)	10.10.019.001—Instruction: School Apportionments-voluntary desegregation-Pittsburg Unified School District	4,108
(2)	10.10.019.002—Instruction: School Apportionments-voluntary desegregation-Richmond Unified School District	8,224,019
(3)	10.10.019.003—Instruction: School Apportionments-voluntary desegregation-Fresno Unified School District	3,127,437
(4)	10.10.019.004—Instruction: School Apportionments-voluntary desegregation-Brawley Elementary School District	65,383
(5)	10.10.019.005—Instruction: School Apportionments-voluntary desegregation-El Centro Elementary School District	295,769

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(6)	10.10.019.006—Instruction: School Apportionments-voluntary desegregation-Bakersfield City Elementary School District	426,444
(7)	10.10.019.007—Instruction: School Apportionments-voluntary desegregation-Hanford Unified School District ..... .'	10,016
(8)	10.10.019.008—Instruction: School Apportionments-voluntary desegregation-Long Beach Unified School District	4,064,375
(9)	10.10.019.009—Instruction: School Apportionments-voluntary desegregation-Los Angeles Unified School District	28,955,991
(10)	10.10.019.010—Instruction: School Apportionments-voluntary desegregation-Pasadena City Unified School District . ..	1,590,935
(11)	10 10.019.011—Instruction: School Apportionments-voluntary desegregation-Santa Monica-Malibu School District ...	192,825
(12)	10 10.019.012—Instruction: School Apportionments-voluntary desegregation-Whittier Union High School District	549,642
(13)	10.10.019.013—Instruction: School Apportionments-voluntary desegregation-Merced City Elementary School District	63,258
(14)	10.10.019.014—Instruction: School Apportionments-voluntary desegregation-Monterey Peninsula Unified School District	122,192
(15)	10.10.019.015—Instruction: School Apportionments-voluntary desegregation-North Monterey County Unified School District..	301,329
(16)	10.10.019.016—Instruction School Apportionments-voluntary desegregation-Fullerton Elementary School District	128,060

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(17)	10.10.019.017—Instruction School Apportionments-voluntary desegregation-Banning Unified School District	11,644
(18)	10.10 019.018—Instruction: School Apportionments-voluntary desegregation-Riverside Unified School District	219,268
(19)	10.10.019.019—Instruction: School Apportionments-voluntary desegregation-Sacramento City Unified School District	471,464
(20)	10.10.019.020—Instruction: School Apportionments-voluntary desegregation-San Bernardino City Unified School District	1,604,701
(21)	10.10.019.021—Instruction: School Apportionments-voluntary desegregation-Chula Vista City Unified School District	252,819
(22)	10.10.019.022—Instruction: School Apportionments-voluntary desegregation-San Diego City Unified School District	5,651,734
(23)	10.10.019.023—Instruction: School Apportionments-voluntary desegregation-Sweetwater Union High School District	273,840
(24)	10.10.019.024—Instruction: School Apportionments-voluntary desegregation-San Francisco Unified School District	2,141,279
(25)	10.10.019.025—Instruction: School Apportionments-voluntary desegregation-San Mateo City Elementary School District	185,505
(26)	10.10.019.026—Instruction: School Apportionments-voluntary desegregation-San Mateo Union High School District	110,527
(27)	10.10.019.027—Instruction: School Apportionments-voluntary desegregation-Sequoia Union High School District	51,458

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(28) 10.10.019.028—Instruction: School Apportionments-voluntary desegregation-Lompoc Unified School District	4,264
(29) 10.10.019.029—Instruction: School Apportionments-voluntary desegregation-Santa Barbara City Elementary School District	23,934
(30) 10.10.019.030—Instruction: School Apportionments-voluntary desegregation-Mountain View-Los Altos High School District	53,345
(31) 10.10.019.031—Instruction. School Apportionments-voluntary desegregation-San Jose City Unified School District	996,213
(32) 10.10.019.032—Instruction: School Apportionments-voluntary desegregation-Pajaro Valley Unified School District	774,508
(33) 10.10.019.033—Instruction: School Apportionments-voluntary desegregation-Oxnard Elementary School District	359,477
(34) 10.10.019.034—Instruction: School Apportionments-voluntary desegregation-Santa Paula Elementary School District	626,474
(35) 10.10.019.035—Instruction: School Apportionments-voluntary desegregation-ABC Unified School District	28,109
(36) 10.10.019.036—Instruction: School Apportionments-voluntary desegregation-Ventura Unified School District	8,372
(37) 10.10.019.037—Instruction: School Apportionments-voluntary desegregation-La Habra City Elementary School District	34,188
(38) 10.10.019.038—Instruction: School Apportionments-voluntary desegregation-Duarte Unified School District	25,023

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(39) 10.10.019.039—Instruction: School Apportionments-voluntary desegregation-East Side Union High School District 98,071

Provisions:

1. Funds appropriated by this item are for reimbursement of amounts necessary to pay the costs of desegregation programs as defined in Section 42249 of the Education Code, initiated voluntarily by school districts.
2. The State Controller shall allocate funds appropriated in this item in accordance with the provisions of Section 42247 of the Education Code. The State Controller shall reimburse these claims only from funds appropriated specifically for that purpose by the Legislature.

6110-116-001—For local assistance, Department of Education, Program 20.60.030—School Improvement Program 251,081,000

Schedule:

(a) 20.60.030.010—For the purpose of making allowances for kindergarten and grades 1 to 6, inclusive... 214,012,000

(b) 20.60.030.020—For the purpose of making allowances for grades 7 to 12, inclusive 37,069,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund for direct disbursement by the Department of Education in lieu of the appropriations made for the 1989–90 fiscal year pursuant to subdivisions (a) and (b) of Section 75 of Chapter 894 of the Statutes of 1977, for the purpose of making allowances for the School Improvement Program and notwithstanding the third paragraph of Section 87 of Chapter 894 of the Statutes of 1977, and pursuant to Article 4 (commencing with Section 52046) of Chapter 6 of Part 28 of the Education Code.
2. The Department of Education shall allocate the funds scheduled in category (b) above to each district eligible to receive an allowance on the basis of the per unit of average daily attendance amounts specified in subdivision (b) of Section 52046 of the Education Code, adjusted on a pro-rata basis to conform to the amounts scheduled above.

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3. The Department of Education shall promote the legislative intent for equalized funding for kindergarten and grades 1 through 6 and allocate funds appropriated in category (a) above in accordance with Section 52048 of the Education Code.
4. Notwithstanding any other provisions of law, of the amount appropriated in category (b) above, $4,600,000 is for apportionment to school districts as determined by the Superintendent of Public Instruction for the purpose of funding implementation grants at a level of $30 per pupil in grades 7 and 8 to those districts which received School Improvement Program planning grants at that level during the 1988–89 fiscal year.
5. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in Item 6110-226-001 for this program shall be the maximum amount allocated for the purposes of Chapter 6 (commencing with Section 52000) of Part 28 of Division 4 of the Education Code.

6110-118-001—For local assistance, Department of Education, Program 10.70—Vocational Education in lieu of the amount which would otherwise be appropriated pursuant to subdivision (b) of Section 19632 of the Business and Professions Code..... 550,000

6110-119-001—For local assistance, Department of Education, for the purposes of Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code, Article 2.3 (commencing with Section 48643) of the Education Code and Section 903.7 of the Welfare and Institutions Code, to be allocated according to the following schedule:

Program 20.40-Supplementary Program Services. 5,135,000

Schedule:

(a) 20.40.060-Instructional Support —Foster Youth Services..... 1,719,000
(b) 20.40.070-Opportunity Programs Incentives 1,315,000
(c) 20.40.090-Specialized Secondary Programs..... 2,101,000

Provisions:

1. Notwithstanding any other provision of law to the contrary, the amount appropriated in cate-

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gory (c) shall be the maximum amount allocated for the purposes of Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code.

2. Pursuant to subdivision (b) of Section 903.7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the quarterly transfer of the state share of collections attributable to Sections 903, 903.4, and 903.5 of the Welfare and Institutions Code to the Foster Children and Parent Training Fund. From these collections, and prior to any transfer of funds, there shall be a deduction for the appropriate amount of county child support collection incentives. Notwithstanding the provisions of subdivision (c) of Section 903.7 of the Welfare and Institutions Code, if sufficient moneys are available in the Foster Children and Parent Training Fund, up to $1,000,000 shall be transferred from the Foster Children and Parent Training Fund to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Parent Training Program from appropriations of $900,000 of category (e) of Item 6870-101-001 and $100,000 contained in Item 6870-001-001 of this act. Any remaining funds in the Foster Children and Parent Training Fund shall be transferred to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Youth Services Program from the appropriation of $1,719,000 of category (a) of Item 6110-119-001.
3. Of the amount appropriated in category (a), $898,000 shall be allocated to the following school districts in the prescribed amounts: (1) Fullerton ($200,000), (2) Richmond ($200,000), (3) Solano ($325,000), and (4) Woodland ($173,000).

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6110-120-001—For local assistance, Department of Education, Program 20.40.100—Pupil Dropout Prevention Program, High Risk Youth Liaison and Field Services for purposes of Article 6 (commencing with Section 52890) and Article 7 (commencing with Section 52900) of, Chapter 12 of Part 28 of, Article 7 (commencing with Section 54720) of Chapter 9 of Part 29 of, and Chapter 3.5 (commencing with Section 58550) of Part 31 of, the Education Code 12,250,000

Provisions:

1. Of the amount appropriated in this item, $8,000,000 shall be available for the funding of outreach consultants by up to 200 schools with motivation and maintenance program plans developed in accordance with Chapter 1431, Statutes of 1985.
2. Of the amount appropriated in this item, $2,000,000 shall be available for the funding of outreach consultants by up to 50 school districts with dropout recovery program plans developed in accordance with the Chapter 1431, Statutes of 1985.
3. Prior to any school or school district hiring an outreach consultant with funds appropriated in this item, such school or school district shall have adopted a plan, subject to review by the Superintendent of Public Instruction, which includes a statement describing the specific duties of the outreach consultant. Such duty statement shall provide that the outreach consultant must only perform activities which directly benefit "high-risk pupils" as defined in Section 54721 (c) of the Education Code. Each outreach consultant shall receive no more than forty thousand dollars ($40,000) annually.
4. Of the amount appropriated in this item, $1,900,000 shall be available for payments to certified educational clinics established in accordance with Chapter 3.5 (commencing with Section 58550) of Part 31 of the Education Code.
5. Of the amount appropriated in this item, $350,000 shall be available for grants to be awarded by the Superintendent of Public Instruction to schools for the purpose of implementing dropout prevention programs based upon model programs approved for use by the Department of Education.

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6. The district of any school receiving funds pursuant to Provision 1 of this item shall collect and report data to the Superintendent of Public Instruction on student dropouts, as well as any other data deemed necessary by the superintendent to evaluate motivation and maintenance programs. This data shall be reported in a format, to be determined by the Superintendent of Public Instruction. Whenever feasible, the superintendent shall collect this data through the California Basic Educational Data System.

None of the funds appropriated in this item shall be used for activities related to the California-Local Education Reform Network (C-LERN) project, with the exception of those schools operating programs funded under the provisions of Chapter 1421 of the Statutes of 1985.

6110-121-001—For local assistance, Department of Education, Program 10.30.070 Economic Impact Aid. 196,952,000

Provisions:

1. Funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund for direct disbursement by the Department of Education, for the purposes of the Economic Impact Aid Program, pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code Of the funds appropriated in this item, an amount not to exceed $17,934,000 shall be allocated by the Superintendent of Public Instruction pursuant to Section 54041 of the Education Code to a limited number of districts that receive insufficient funds through the Economic Impact Aid formula to serve the number of pupils of limited English proficiency and other economically disadvantaged pupils that reside in the district. The dollar amounts specified in this provision shall be adjusted appropriately to reflect any additional funding provided in Item 6110-226-001 for a cost-of-living adjustment. No school district receiving funds from this item shall be allocated less than $5,000, adjusted annually and cumulatively from 1980–81 by the same percentage adjustment for cost of living as the Economic Impact Aid Program received.

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6110-124-001—For local assistance, Department of Education, Program 10.80.010—Gifted and Talented, for the purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code . 23,433,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for the 1989–90 fiscal year pursuant to Section 14002 of the Education Code.
2. Funds appropriated by this item are to be allocated and expended for gifted and talented programs designed, implemented, and administered by school districts. Funds shall be allocated, both with regard to state-to-district and district-to-school disbursements, pursuant to the allocation formulas for the Gifted and Talented Program in effect on June 29, 1988, and only to school districts that operated programs that met the identification criteria for the Gifted and Talented Program on June 29, 1988.
3. Funds appropriated by this item shall be used only for the general purposes of the Gifted and Talented Program as provided for in Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code as that chapter read on June 29, 1988.

6110-126-001—For local assistance, Department of Education, Program 20.10.035—Miller-Unruh Reading Program 20,441,000

Provisions:

1. Funds appropriated by this item are for the Special Elementary School Reading Instruction Program pursuart to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code.
2. The State Department of Education shall establish a procedure to accept applications from any school district for participation in the Miller-Unruh Reading Program. This procedure shall provide first priority for any available funding to districts with the lowest California Assessment Program reading scores and district base revenue limits. Whenever the number of reading specialist positions funded by the program is re-

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duced in any school district, funds shall be reallocated to support an equivalent number of positions in another district or districts.	
3. Of the funds appropriated in this item, $572,000 shall be allocated based upon the priorities described above.	
6110-128-001—For local assistance, Department of Education, Community Education—Intergenerational Programs	165,000
Schedule:	
(a) 41.00-Executive Management Special Services 165,000	
6110-128-890—For local assistance, Department of Education, Program 20.10.015.010—Math/Science Teacher Training Grant, payable from the Federal Trust Fund	7,294,000
6110-131-001—For local assistance, Department of Education, Program 10.30.051—Native American Indian Education	385,000
6110-136-890—For local assistance, Department of Education, Program 10.30.060—Chapter I-ECIA—payable from the Federal Trust Fund	401,793,000
6110-141-890—For local assistance, Department of Education, Program 10.30.010—ECIA Chapter I-Migrant Education, payable from the Federal Trust Fund	93,207,000
6110-146-001—For local assistance, Department of Education, Program 10.30.040—Demonstration Programs in Reading and Mathematics	4,367,000
Provisions:	
1. Funds appropriated by this item are for demonstration programs in reading and mathematics pursuant to Chapter 4 (commencing with Section 58600) of Part 31 of the Education Code.	
2. Notwithstanding any other provision of law, funds appropriated by this item and allocated to support the instructional costs of demonstration programs established after June 30, 1986, shall be allocated only to programs that demonstrate a significant departure from or variation of existing instructional practices. The Department of Education shall establish criteria and guidelines necessary to ensure the implementation of this provision	
3. The Superintendent of Public Instruction shall develop rules and procedures which shall provide that: (1) in the 1989–90 fiscal year, funds ap-	

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propriated by this item shall not be allocated to support more than 66 percent of the instructional costs of a demonstration program that has been in operation for a period of three years, nor more than 33 percent of the instructional costs of a demonstration program that has been in operation for four or more prior years; (2) in the 1990–91 fiscal year, funds appropriated by this item shall not be allocated to support more than 33 percent of the instructional costs of a demonstration program that has been in operation for a period of four years; and (3) in the 1990–91 fiscal year, funds appropriated by this item shall not be allocated to support the instructional costs of a demonstration program that has been in operation for a period of five or more prior years. These demonstration programs may receive allocations from funds appropriated by this item to support curriculum development and dissemination replication activities.

In allocating demonstration program funds according to the above requirements, the Superintendent of Public Instruction shall assume that 70 percent of each program's budget supports instructional costs, and that the remaining 30 percent supports curriculum development and dissemination activities.

4. In fiscal year 1989–90, the Superintendent of Public Instruction shall allocate funds appropriated by this item which are reduced from existing program budgets according to Provision 3 to new demonstration programs. The Superintendent of Public Instruction may retain up to 5 percent of program funds for statewide dissemination of demonstration program materials and for contracts with external agencies to provide technical assistance to demonstration program sites. New programs shall be funded for a maximum of six years.

6110-151-001—For local assistance, Department of Education, Program 10.30.050—American Indian Education Centers 1,872,000

Provisions:

1. Funds appropriated by this item for Indian Education Centers are limited to carrying out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2

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of Title 2 of the Education Code.

6110-156-001—For local assistance, Department of Education, Program 10.50.010.001—Adult Education..... 259,887,000

Provisions:

1. Funds appropriated by this item are in lieu of the amounts which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1989–90 fiscal year pursuant to Sections 14002, 14004 and 41301 of the Education Code, and are for transfer to Section A of the State School Fund, for the purposes of Section 52616 of the Education Code and Chapter 1025, Statutes of 1985.
2. Notwithstanding Section 52616 of the Education Code, the average daily attendance used in computing each district's 1989–90 block entitlement shall be the lesser of 109.74 percent of the district's 1981–82 adult block entitlement average daily attendance computed pursuant to paragraph (1) of subdivision (b) of Section 52616 of the Education Code, excluding average daily attendance in regional occupational centers and programs, or the district's reported 1989–90 annual adult average daily attendance, excluding average daily attendance in regional occupational centers and programs. Funds provided in this item for growth in average daily attendance are in lieu of the amounts which would otherwise be appropriated pursuant to Section 52616 of the Education Code.
3. Notwithstanding any other provision of law to the contrary, the amount appropriated in this item, exclusive of the amount appropriated for the purpose of Chapter 1025, Statutes of 1985, and the amount appropriated in Item 6110-226-001 for this program shall be the maximum amount allocated for the purposes of Section 52616 of the Education Code.
4. $22,069,000 of the funds appropriated by this item are available for funding special needs in adult education. These funds shall not be used to compute school district block entitlements pursuant to Section 52616 of the Education Code, and shall be exclusively utilized in the 1989–90 fiscal year as follows:

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(a) \$9,848,000 shall be used to fund extraordinary needs in adult programs in English-as-a-second language (ESL) provided under subdivision (c) of Section 41976 of the Education Code. The Superintendent of Public Instruction shall identify districts having extraordinary needs as those serving the highest concentration of limited-English-proficient students in grades K–12 within high school and unified school district boundaries recorded by the annual census of pupils of limited-English-proficiency pursuant to Section 52164 of the Education Code. The Superintendent of Public Instruction shall allocate the funds to applicant districts on the basis of the proportionate share of total count of pupils of limited-English-proficiency served by all participating districts.	
(b) \$5,776,000 shall be used to fund remedial education services for participants in the Greater Avenues for Independence (GAIN) Program pursuant to Chapter 1025 of the Statutes of 1985. These funds shall be apportioned by the Superintendent of Public Instruction only to school districts that certify that they are unable to provide educational services to GAIN recipients within their adult education block entitlements.	
(c) \$562,000 shall be used for programs in elementary and high school basic skills.	
(d) \$5,883,000 shall be used to fund ESL, GAIN and basic skills programs in amounts to be determined by the Superintendent of Public Instruction.	
(e) As a condition of receiving these funds, school districts shall certify to the Superintendent of Public Instruction that levels of annual average daily attendance in the 1989–90 fiscal year in (1) programs for (A) English as a second language and (B) elementary and high school basic skills and (2) which are used to compute block entitlements, shall be maintained at or above levels funded in either the 1987–88 or the 1988–89 fiscal year, whichever levels are	

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	higher, for each of these two areas. The Superintendent of Public Instruction shall, at the time of the annual apportionment, reduce funding by the corresponding amount to any school district receiving funds affected by this provision which fails to generate certified levels of average daily attendance.	
	5. Any adult education surpluses accrued pursuant to subdivision (d) of Section 52616 of the Education Code may be reallocated by the Superintendent of Public Instruction for either the fiscal year during or after which such surplus accrued. In reallocating these surpluses, the superintendent shall give first priority to funding remedial education services for GAIN participants in both fiscal years.	
	6. Notwithstanding any provision of law to the contrary, funds appropriated in this item for average daily attendance (ADA) generated by participants in the GAIN Program established by Chapter 1025 of the Statutes of 1985 may be apportioned on an advance basis to local education agencies based on expected units of ADA, if a prior application for such additional ADA funding has been approved by the Superintendent of Public Instruction.	
	7. Of the funds appropriated in this item, $237,000 shall be allocated to the Sacramento County Office of Education for the first year of a three-year adult education pilot project for parolees. Of this $237,000, up to $187,000 shall be available to the Sacramento County Probation Department only for services rendered as part of the pilot project, up to $40,000 shall be available for evaluation of the project, and up to $10,000 shall be available for the administrative costs of the Sacramento County Office of Education incurred in the course of administering this project.	
6110-156-890—For local assistance, Department of Education, Program 10.50.010.001—Adult Education, payable from the Federal Trust Fund		11,006,000

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6110-158-001—For local assistance, Department of Education, Program 10.50.010.002—Adult Education, for transfer to Section A of the State School Fund in lieu of the amount which would otherwise be appropriated pursuant to Section 41841.5 of the Education Code—Adults in Correctional Facilities... 2,401,000

Provisions:

1. Notwithstanding any other provision of law to the contrary, the amount appropriated in this item and the amount appropriated in Item 6110-226-001 for this program shall be the maximum amount allocated for the purposes of Section 41841.5 of the Education Code.

6110-161-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children 1,204,724,000

Provisions:

1. Funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1989–90 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 of the Education Code, superseding all prior law.
2. No more than $350,000 of the funds appropriated in this item may be used for inservice training for special education teachers.
3. Of the amount appropriated in this item, no more than $39,399,000 may be used for the purposes of Article 9 (commencing with Section 56780) of Chapter 7 of Part 30 of the Education Code.
4. Of the amount appropriated in this item, $14,500,000 shall be available for program growth pursuant to Section 56728.6 of the Education Code. The funds allocated pursuant to this provision shall be the only funds available in this item for program growth.

   These funds shall be allocated to fully fund calculated growth units for K–12 programs (ages 5–21) based on each SELPAs pupil count data and an average number of pupils per unit of:

   (a) For special day classes and centers—10,

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(b) For resource specialist programs—24,
(c) For designated instructional services—24.

For the purposes of allocating special day class and center (SDC) growth units, a revenue limit offset shall be calculated for the unfunded 1988–89 P-2 SDC average daily attendance for those local educational agencies which are scheduled to receive SDC growth units. In no case shall the offset exceed 8 pupils per SDC growth unit. All other SDC growth units will be allocated using no revenue limit offset.

5. The number of units to be recaptured shall be calculated pursuant to Section 56728.6 of the Education Code. Within each SELPA, to maximize the use of existing units, the units available for recapture shall be shifted to any instructional setting that is eligible for growth pursuant to Provision 4. After maximizing the existing units, growth shall be calculated pursuant to the standards in Provision 4. Waivers of the subcaps (Education Code Section 56728.6) may only be approved if compliance would prevent the provision of a free, appropriate public education.
6. Of the amount appropriated in this item, $500,000 shall be available only for units approved by waiver for very sparse and rural SELPAs which are not eligible for calculated growth units pursuant to Provision 4. Waivers for sparsity may be approved only after previous waivers have been reviewed to determine that those units were utilized in sparsely populated areas of the SELPA, that additional units are necessary for these areas and that severe hardship would occur without additional units for this purpose.
7. Of the amount appropriated in this item, no more than $300,000 shall be available for the purposes of Section 56775.5 of the Education Code.
8. $7,000,000 of the funds appropriated in this item are available for purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
9. $3,500,000 of the funds appropriated in this item are available for matching funds for the pur-

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	poses of PL 98-524, and for vocational training and job placement for special education students through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each agency must certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in 1984–85. The Superintendent of Public Instruction may waive this requirement for agencies which can demonstrate that the requirement would impose a severe hardship.	
	10. $200,000 of the funds appropriated in this item are available for matching funds with the Department of Rehabilitation to provide coordinated services to handicapped pupils.	
	11. Notwithstanding Section 7587 of the Government Code, the emergency regulations developed to implement Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code shall not be subject to automatic repeal until the final regulations take effect on or before June 30, 1990.	
6110-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children		171,551,000
Schedule:		
(a) 10.60.050.010-PL 94-142, local entitlements	121,359,000	
(b) 10.60.050.020-PL 94-142, direct and indirect instructional services approved in the State Plan	12,167,000	
(c) 10.60.050.030-PL 99-457, Preschool Grant Program	33,228,000	
(d) 10.60.030-EHA, Title VIC, Deaf-Blind Center	240,000	
(e) 10.60.050.040-EHA, Title VID, Handicapped Personnel Preparation Grants	657,000	
(f) 10.60.050.050-PL 98-199, Removal of Architectural Barriers	3,640,000	

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(g) 10.60.050.070-EHA, Title VIC, Least Restrictive Environment ... 260,000

Provisions:

1. If the funds for Part B of the Education for All Handicapped Act that are actually received by the state exceed $138,458,000, at least 95 percent of the funds received in excess of $138,458,000 shall be allocated for local entitlements. Five percent (5%) of the amount received in excess of $138,458,000 may be used for state administrative expenses.

   If the funds for Part B of the Education for All Handicapped Act that are actually received by the state are below $138,458,000, the reduction shall be taken in direct and indirect instructional services.
2. Of the funds appropriated in Schedule (b) of this item, up to $1,000,000 may be used to fund licensed children's institution growth units pursuant to Section 56776. These funds are to be used for instructional units only.
3. Of the funds appropriated in Schedule (b) of this item, up to $2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56728.8 of the Education Code.
4. Of the funds appropriated in Schedule (b) of this item, up to $2,425,000 may be allocated to local education agencies for the purposes of Project WorkAbility I.
5. Of the funds appropriated in Schedule (b) of this item, up to $1,700,000 may be used to provide specialized services to pupils with low incidence disabilities, as defined in Section 56026.5 of the Education Code.
6. Of the funds appropriated in Schedule (b) of this item, up to $3,618,000 may be used for a personnel development program. This program will include state sponsored staff development, including parent training, local inservice components, bilingual, student study team, and core curriculum components. Of this amount, a minimum of $2,500,000 shall be allocated directly to special education local plan areas. The local inservice programs shall include a parent training component. It is the intent of the Legislature

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	that a component be provided to train members of the Individualized Education Program Team, including, but not limited to, resource specialists, school psychologists, and school nurses, in assisting regular classroom teachers in the recognition of signs of learning disabilities in pupils, and in providing teaching strategies for for those pupils.	
	Such training, however, is not meant to be an alternative to nor a supplanting of the legal entitlement to due process access to special education assessments or services. All programs are to include evaluation components.	
	7. Of the funds appropriated in this item for the Preschool Grant Program, $1,228,000 may be used for inservice training programs. This program shall include state sponsored and local components.	
	8. Of the funds appropriated in Schedule (b) of this item, $600,000 shall be used for research and training in cross-cultural assessments.	
	9. Of the funds appropriated in schedule (b) of this item, up to $200,000 may be provided to the Timpany Center in Santa Clara County, provided that $2 from this item shall be allocated for each $1 provided from local sources, and that the center shall certify that the funds provided from this item are used to provide services only to youth through age 21.	
	10. Of the funds appropriated in Schedule (b) of this item, $300,000 shall be used for Second Language Institutes.	
6110-162-001—For local assistance, Department of Education, Program 10.60.060—Alternatives to Special Education		600,000
	Schedule:	
	(a) 10.60.060.010-Early Intervention for School Success 600,000	
6110-166-001—For local assistance, Department of Education, Program 10.70—Vocational Education		8,649,000
	Schedule:	
	(a) 10.70-Vocational Education 34,905,000	
	(b) Reimbursements ..... −26,256,000	
	Provisions:	
	1. $25,400,000 of the funds appropriated in this item are for the purpose of the Federal Job Training Partnership Act of 1982.	

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2. $1,449,000 of the funds appropriated in this item are for the purpose of Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of the Education Code, Partnership Academies Program.
3. Notwithstanding any other provision of law, of the funds appropriated in this item, $7,200,000 is available for the purpose of matching Job Training Partnership Act funds available under Section 202(b)(1) of the federal Job Training Partnership Act. The Superintendent of Public Instruction shall allocate these funds for the purpose of providing remedial education services to GAIN participants pursuant to Education Code Section 33117.5.

6110-166-890—For local assistance, Department of Education, Program 10.70—Vocational Education, payable from the Federal Trust Fund 80,298,000

Provisions:

1. Of the funds appropriated in this item, $35,309,000 of the 1989–90 Federal Vocational Education Act funds shall be transferred to the community colleges by means of interagency agreements for the purpose of funding vocational education programs in community colleges.
2. The State Board of Education and the Board of Governors of the California Community Colleges shall develop policies to target funds appropriated by this item to provide services to Greater Avenues for Independence (GAIN) participants.
3 $814,000 of the funds appropriated in this item are for the purposes of Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of the Education Code, Partnership Academies Program.
4. The Superintendent of Public Instruction and the Chancellor of the California Community Colleges shall report jointly, not later than November 15 of each year, to the Joint Legislative Budget Committee, to the Director of Finance, and to the California Council on Vocational Education, describing the amount of carryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover.

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6110-167-001—For local assistance, Department of Education, Program 10.70, Vocational Education for the purpose of Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of the Education Code		3,000,000
Provisions:		
1. As a condition of receiving funds appropriated in this item, a school district shall certify to the Superintendent of Public Instruction that: (1) Agricultural Vocational Education Incentive Program funds shall be expended for the items identified in its application for funding, except that in items of expenditure classification 4000, only the total cost of expenses shall be required and itemization shall not be required; and (2) the district shall provide at least 50 percent of the cost of the items and costs from expenditure classification 4000, as identified in its application, from other funding sources. The Superintendent of Public Instruction shall utilize appropriate accounting procedures, rules, and regulations to ensure compliance with this requirement. Nothing in this provision shall be construed as limiting the authority of the superintendent to waive the local matching requirement pursuant to subdivision (b) of Section 52461.5 of the Education Code.		
6110-171-178—For local assistance, Department of Education, Program 10.80.020—Driver Training, payable from the Driver Training Penalty Assessment Fund, for transfer to Section A of the State School Fund		(21,646,000)
Provisions:		
1. The Department of Education shall allocate these funds among all participating school districts, county offices of education, and the California Youth Authority in accordance with the provisions of Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code.		
6110-176-890—For local assistance, Department of Education, Program 10.40.030—Refugee and Immigrant Programs, payable from the Federal Trust Fund		18,741,000
Schedule:		
(a) 10.40.030.001-Emergency Immigration Education Program	13,610,000	

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(b) 10.40.030.002-Transition Program for Refugee Children	5,131,000	
6110-180-001—For local assistance, Department of Education, Program 20.10.025—Institute for Computer Technology		338,000

Provisions:

1. An amount not to exceed $338,000 from the funds specified in this item shall be available for funding average daily attendance of the Institute for Computer Technology in accordance with Article 8 (commencing with Section 52480) of Chapter 9 of Part 28 of the Education Code.
2. Notwithstanding any other provision of law, for the 1989–90 fiscal year, the Institute for Computer Technology shall receive state funding for no more than 100 average daily attendance.
3. An amount not to exceed $50,000 of the amount specified in Provision 1 for the Institute of Computer Technology may be utilized to disseminate curriculum developed pursuant to Chapter 1516 of the Statutes of 1985.

6110-181-001—For local assistance, Department of Education, for Educational Technology, Program 20.10.025—Technology Education	13,570,000
6110-181-140—For local assistance, Department of Education, Program 20.10.055-Environmental Education, payable from the California Environmental License Plate Fund	515,000
6110-183-890—For local assistance, Department of Education, Program 20.10.045—Health and Physical Education, Instructional Support—Drug Free Schools and Communities Act of 1986 (PL 100-297).	20,480,000
6110-186-001—For local assistance, Department of Education, Program 20.20.020.001—Instructional Materials Management and Distribution—Grades K–8	91,639,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller, in lieu of the appropriation provided for in Section 60246 of the Education Code, to the State Instructional Materials Fund, for allocation during the 1989–90 fiscal year for the purchase of instructional materials for Kindergarten through grade 8, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds

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shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1990.

2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.
3. Notwithstanding the provisions of Part 33 (commencing with Section 60000) of the Education Code, and pursuant to the August 27, 1981, decision of the California Supreme Court in California Teachers' Association vs. Riles, no part of the funds appropriated herein shall be used to provide instructional materials for nonpublic schools or students.
4. No pupil textbooks shall be adopted by the State Board of Education and no funds shall be available to finance contracts for textbooks in which the royalty amount exceeds 55 percent of the completed book bid, which is the total cost less sales tax less all freight. Royalty amounts payable shall be adjusted in subsequent years in conformance with the Consumer Price Index —All Items, of the Bureau of Labor Statistics of the United States Department of Labor, provided that such adjustment shall occur only when the completed book bid is revised, pursuant to Sections 60201 and 60223 of the Education Code.
5. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in Item 6110-226-001 for this program shall be the maximum amount allocated for the purpose of Section 60246 of the Education Code.
6. In the 1989–90 fiscal year, notwithstanding any other provision of law, the cash allotments pursuant to paragraph (2) of subdivision (a) of Section 60242 of the Education Code, the allowances pursuant to subdivision (b) of Section 60242 of the Education Code, and the apportionments pursuant to Section 60247 of the Education Code shall be made in full in the form of single payments to eligible school districts not later

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than September 15, 1989.	
6110-187-001—For local assistance, Department of Education, Program 20.20.020.002—Instructional Materials Management and Distribution—Grades 9–12	23,798,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to the State Instructional Materials Fund, for allocation during the 1989–90 fiscal year for the purchase of instructional materials for grades 9 through 12, pursuant to Sections 60247 through 60249, inclusive, of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1990.
2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.
3. Notwithstanding the provisions of Part 33 (commencing with Section 60000) of the Education Code, and pursuant to the August 27, 1981, decision of the California Supreme Court in California Teachers' Association vs. Riles, no part of the funds appropriated herein shall be used to provide instructional materials for nonpublic schools or students.
4. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item shall be the maximum amount allocated for the purpose of Section 60247 of the Education Code.
5. In the 1989–90 fiscal year, notwithstanding any other provision of law, the cash allotments pursuant to paragraph (2) of subdivision (a) of Section 60242 of the Education Code, the allowances pursuant to subdivision (b) of Section 60242 of the Education Code, and the apportionments pursuant to Section 60247 of the Education Code, shall be made in full in the form of single payments to eligible school districts not later than September 15, 1989.

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6110-191-001—For local assistance, Department of Education, Program 20.60-Staff Development		75,378,000
Schedule:		
(a) 20.60.010.001-Administrator Training and Evaluation Program	4,802,000	
(b) 20.60.050.001-Mentor Teacher Program	64,104,000	
(c) 20.60.070-Bilingual Teacher Training	842,000	
(d) 20.60.120-California International Studies	1,055,000	
(e) 20.60.140-Teacher Improvement	1,132,000	
(f) 20.60.110-Reader Service for Blind Teachers (for transfer to Reader Employment Fund)	175,000	
(g) 20.60.050.002-Beginning Teacher Support and Assessment Study	2,668,000	
(h) 20.60.155-Regional Resource Science Center	500,000	
(i) 20.60.125-Geography Education Alliances	100,000	

Provisions:

1. With the exception of categories (e), (f), (g) and (h), funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, for direct disbursement by the Department of Education, in lieu of the amount which would otherwise be appropriated for staff development pursuant to subdivision (a) of Section 74 of Chapter 894 of the Statutes of 1977. Funds appropriated in this item are for the purpose of making allowances pursuant to Article 4—Bilingual Teacher Training Assistance Program (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code, Article 3—Administrator Training and Evaluation (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code, Chapter 3.7—California International Studies Project (commencing with Section 44780) of Part 25 of the Education Code, Article 4—California Mentor Teacher Program (commencing with Section 44490) of Chapter 3 of Part 25 of the Education Code, for the purpose of the joint effort in teacher improvement and pupil performance in intermediate schools by the State Department of Education and the Cal-

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ifornia State University system, and for the purpose of the joint Department of Education and Commission on Teacher Credentialing beginning teacher support and assessment study.

2. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (a) of this item shall be the maximum amount allocated for the purposes of Article 3—Administrator Training and Evaluation (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code.
3. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (b) of this item shall be the maximum amount allocated for the purposes of Article 4—California Mentor Teacher Program (commencing with Section 44490) of Chapter 3 of Part 25 of the Education Code.
4. Notwithstanding any other provision of law, each school district which participates in the California Mentor Teacher Program and receives funds pursuant to subdivision (a) of Section 44492 of the Education Code shall certify to the Superintendent of Public Instruction that no more than 10 percent of the total amount which it receives pursuant to subdivisions (a) and (c) of Section 44492 of the Education Code will be used for administrative costs.

   For purposes of this provision, "administrative costs" shall include the personnel costs of program administration and coordination, the costs of mentor teacher selection, and indirect costs associated with the mentor teacher program.
5. Notwithstanding any other provision of law, the amount appropriated in category (c) of this item shall be the maximum amount allocated for the purposes of Article 4—Bilingual Teacher Training Assistance Program (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code.
6. Notwithstanding any other provision of law, the amount appropriated in category (d) of this item shall be the maximum amount allocated for the purposes of Chapter 3.7—California International Studies Project (commencing with Section 44780) of Part 25 of the Education Code. Of

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	the amount appropriated in category (d), $175,000 shall be reserved for foreign language staff development. These funds shall be allocated to the California International Studies Project only if federal funds are not available for this purpose.	
	7. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (e) of this item shall be the maximum amount allocated by the Department of Education for the purposes of the joint effort in teacher improvement by the Department of Education and the California State University system.	
	8. Pursuant to Chapter 1355 of the Statutes of 1988, the amount appropriated by category (g) of this item and $1,100,000 in Item 6360-001-001 are for a joint study of alternative models of beginning teacher support and assessment by the Department of Education and the Commission on Teacher Credentialing. The study shall establish alternative models of beginning teacher support and assessment mechanisms and evaluate the costs and benefits of the alternative models.	
	These funds shall be expended only upon development of a joint program and expenditure plan by the department and the Commission on Teacher Credentialing and approval of the plan by the Director of Finance.	
6110-194-001—For local assistance, Department of Education, Program 10.80.030-College Admissions Test Preparation Pilot Projects		900,000
6110-196-001—For local assistance, Department of Education, Program 30.10—Local Education Agency Child Development		331,490,000
Schedule:		
(a) 30.10.010-Preschool	37,263,000	
(b) 3.10.020-Child Care Services	294,227,000	
(1) 30.10.020.001-General child development programs	208,298,000	
(2) 30.10.020.002-Campus children's centers	6,374,000	

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	(3) 30.10.020.003-School-age parenting and infant development	6,941,000
	(4) 30.10.020.004-Migrant day care	7,326,000
	(5) 30.10.020.005-Special programs, Child Development, Rent Allowances	441,000
	(6) 30.10.020.006-Special programs, Child Development, Allowances for Handicapped	740,000
	(7) 30 10.020.007-Alternative payment program	33,055,000
	(8) 30.10.020.008-Resource and referral	8,497,000
	(9) 30.10.020.009-Campus child care tax bailout	4,191,000
	(10) 30.10.020.010-Protective services	1,319,000
	(11) 30.10.020.015-Extended Day Care.	16,111,000
	(12) 30.10.020.016-Special Programs, Child Development, California Child Care Initiative	250,000
	(13) 30.10.020.018-Special Programs, Child Development, Exceptional needs	684,000

Provisions:

1. Funds scheduled in category (b) of this item shall be allocated subject to the requirements of Sections 8279 and 8279.1 of the Education Code.
2. The following reimbursement factors shall take effect as of July 1, 1989, but shall not apply to the

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School-Age Community Child Care Program:

(a) Under 4 hours per day: 55% of the full-time daily rate.

(b) 4 to under 6½ hours: 75% of the full-time daily rate.

(c) 6½ to under 10½ hours: 100% of the full-time daily rate.

(d) 10½ hours and over: 118% of the full-time daily rate.

It is the intent of the Legislature that the rate specified in subdivision (d) of this provision shall result in services to additional children. Child development contractors that serve children 10½ hours or more per day and demonstrate to the satisfaction of the State Department of Education that their costs are reasonable and in excess of those allowed by subdivision (d) of this provision shall have the following apply: subdivision (a) of this provision shall be reduced to 50 percent, and subdivision (d) of this provision shall be increased to 150 percent.

The State Department of Education, using its existing procedures, shall give priority for the provision of services to additional children resulting from the change in subdivision (d) of this provision to counties that are relatively underserved by child development funds, as measured by funding per child receiving Aid to Families with Dependent Children (AFDC) in each county and other measures as deemed necessary by the department.

3. Notwithstanding Section 2.00 of this act, child development appropriations shall be available in accordance with the provisions of Section 8278 of the Education Code, except that funds remaining unencumbered as of June 30, 1990, shall revert to the General Fund. Further, the State Department of Education shall report to the Joint Legislative Budget Committee and the Department of Finance by March 31, 1990, the amount of child development funds, by program, which have been determined after audit to be unearned. The State Department of Education shall report on September 30, 1989, and on March 31, 1990, the settlement of claims payable from unearned contract funds balances by

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program. Further, the State Department of Education shall report on September 30, 1989 and on March 31, 1990, the reencumbrance of unearned contract funds made pursuant to Section 8298 of the Education Code, by program, specifying the purpose and need for each expenditure.

4. The California Child Care Initiative shall ensure that the $250,000 in state funds are matched on a one-to-four basis, with private corporations and local governments providing up to $1,000,000.
5. Recognizing that the availability of child care is essential to economic self-sufficiency, it is the intent of the Legislature to fund child care services as necessary to support the goal of full employment.

Effective July 1, 1986, and notwithstanding the provisions of Sections 8263 and 8468.5 of the Education Code, if a GAIN participant reaches the top of a State Department of Education (SDE) waiting list and income and eligibility criteria for SDE programs are met, he or she shall be retained at the top of the list and enrollment in an SDE-subsidized space shall be deferred until the parent becomes employed or is separated from GAIN, whichever comes first. At this time, the participant who has been deferred for an SDE space shall have priority in the order of deferral for the next available SDE-subsidized space, regardless of income level that meets SDE criteria (with the exception of priorities for abused and neglected children).

These requirements shall not apply to parents whose children are enrolled in an SDE-subsidized space prior to the parents' enrollment in GAIN.

The Department of Social Services (DSS) and the State Department of Education (SDE) shall enter into a memorandum of understanding that specifies a level of service requirement by SDE programs for AFDC recipients. The data collected by SDE on September 15, 1986, and certified by the Auditor General on February 25, 1987, shall establish the plateau by county against which all future surveys of AFDC participation will be measured. For the 1989–90 fiscal year, the sampling will be made by SDE on

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September 15 and March 15. To establish an ongoing process, SDE shall propose legislation that will fix these point-in-time dates in the Education Code.

If, upon comparison to the plateau, the AFDC participation falls below the certified county levels by more than 5 percent, the enrollment of GAIN participants, as specified in the previous paragraph, shall not be deferred. Deferrals shall resume only if AFDC participation levels are again in excess of the certified plateau.

6. The State Department of Education shall, to the extent possible, grant waivers of the school-age community child care requirements at the time contracts are issued. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall ensure that waiver denials issued after the time contracts are issued shall not take effect until two months after the denial decisions are provided, in writing, to affected contractors. The two-month period may be extended at the discretion of the Superintendent of Public Instruction in order to provide contractors with a reasonable amount of time to comply with school-age community child care requirements. Nothing in this provision shall be construed to apply to school-age community child care agencies that do not apply for waivers in good faith.
7. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall authorize any School Age Community Child Care program agency the choice of either a child day or a child hour as the contract unit of enrollment for the purpose of reimbursement. The agency's unit of choice shall remain in effect for the 1989–90 fiscal year and shall be the basis for determining earnings under the contract. After analysis of School-Age Community Child Care providers statewide, the superintendent shall establish an enrollment unit or units for reimbursement that will meet the needs of participating agencies.
8. Notwithstanding any other provision of law, for each School-Age Community Child Care Program approved for funding, the Superintendent of Public Instruction shall ensure that no more

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than one-half of the enrollees reported are eligible for and receiving subsidization as specified under subdivision (b) of Section 8468.5 of the Education Code. Agencies which fail to meet the requirements of this provision and which do not have a State Department of Education approved waiver under Section 8474 of the Education Code shall be deemed in noncompliance with the Education Code requirements. The failure of an agency to submit a corrective action plan within the timelines specified by the State Department of Education to correct the deficiency shall result in the agency being placed on conditional status. Agencies on conditional status shall be monitored monthly by the State Department of Education, which will provide technical assistance to enable agencies to reach compliance.

It is the intent of the Legislature that the above-referenced procedures be imposed for fiscal years 1988–89 and 1989–90. On July 1, 1990, the full fiscal effect of the state participation limits shall be resumed.

9. Notwithstanding subdivision (e) of Section 8277.7 of the Education Code, the relocatable classroom located at Jacoby Creek School for the purposes of the "latch-key" program may also be used as a part-time elementary school classroom in accordance with existing agreements among officials of that school and child care council.
10. Notwithstanding any other provision of law, the State Department of Education, Child Development Division, may authorize a maximum reimbursement rate not to exceed the regional GAIN rate for child care for Alternative Payment Programs and Family Child Care Home Programs with nonemployee providers in service areas that exceeds the current statutory maximum reimbursement rate. This increased rate shall be subject to the procedures established by the State Department of Education pursuant to Section 8265.1 of the Education Code.
11. Notwithstanding any other provision of law, the State Department of Education may authorize the use of adjustment factors for special

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needs children under subdivision (b) of Section 8265.5 of the Education Code for Alternative Payment Programs and Family Child Care Homes Programs with nonemployee providers and Migrant Programs whose assigned reimbursement rates exceed the standard reimbursement rate established under subdivision (b) of Section 8265 of the Education Code.

12. Notwithstanding Section 8473.3 of the Education Code, if a School-Age Community Child Care Program contractor fails to operate at least 98 percent of the minimum days of operation required in its contract, or ceases operations, or the contract is terminated prior to the end of the contract period, the maximum reimbursable amount shall be reduced in proportion to the percentage of the contract minimum days of operation that the contractor was not in operation.
13. Notwithstanding Section 8278 of the Education Code, the first $3,900,000, in excess of those required to make payments on accounts payable pursuant to subdivision (a) of Section 8278 of the Education Code shall be used, in the following priority order, for these purposes:

(a) Infant care and parent services components of the Youth and Family Center of Lawndale	82,000
(b) San Francisco Family Day Care Project	200,000
(c) Local Coordination Grants	416,500
(d) Intergenerational Child Care-City of Oakland	120,000
(e) Staff development	500,000
(f) Child Care inHousing Projects	100,000
(g) Innovative Projects and/or Reserve for Contingencies	237,500

14. Community college districts which levied child development permissive override taxes pursuant to Sections 8329 and 8330 of the Education Code in the 1977-78 fiscal year and received fiscal relief through Chapter 282 of the Statutes of 1979 shall not receive reimbursement for child care services from the Superintendent of Public Instruction in excess of 75 percent of the av-

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erage daily enrollment funding standards for campus child care programs. Campus child care programs operated by the University of California, California State University, and community colleges that did not levy a permissive override tax in the 1977–78 fiscal year shall receive reimbursement from the Superintendent of Public Instruction which equals 100 percent of the average daily enrollment funding standards for campus child care programs.

15. The amount appropriated by this item for campus child care tax bailout shall be allocated by the State Department of Education on order of the Chancellor of the California Community Colleges. The chancellor shall order the allocation of these funds to community college districts which levied child care permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child development programs.
16. Notwithstanding Section 8278 of the Education Code, the State Department of Education shall adopt an expenditure plan for funds in excess of those required to make payments on accounts payable pursuant to subdivision (a) of Section 8278 of the Education Code. To the extent that the following provisions are not in conflict with legislative priorities specified in this act or in other subsequent legislation, the expenditure plan shall reflect the following distribution of funds:
    (a) Not less than 50 percent for direct service.
    (b) Not less than 20 percent for staff development.
    (c) Not less than 20 percent for one-time-only special projects which will directly benefit children, including data collection and research.

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6110-196-890—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Federal Trust Fund.... 3,327,000
Provisions:
1. Notwithstanding any other provision of law, the funds appropriated by this item, to the extent permissible under federal law, are subject to the provisions of Section 8262 of the Education Code.
2. Of the amount appropriated in this item, $56,798 of Public Law 99-425 funds shall be used for the Department of Education to enter into a contract in the 1989–90 fiscal year with the Resource and Referral Network for the purpose of designing a study to update the statewide GAIN market rates for child care. The Department of Education shall consult with the Department of Social Services as necessary to ensure that the survey design shall incorporate the requirements of the Federal Family Support Act to the extent that those requirements are known. The study design shall be approved by the Department of Education and shall be available by December 15, 1989.

6110-198-001—For local assistance, Department of Education, Program 10.10—Instruction: School Apportionment Reserve for Economic Uncertainties related to Proposition 98..... 0
Provisions:
1. This item is subject to the provisions of Control Section 12.31.

6110-201-001—For local assistance, Department of Education, Program 30.20—Child Nutrition 44,790,000
Schedule:
(a) 30.20.010—Child Nutrition 44,525,000
(b) 30.20.020—Pregnant/Lactating Minors 265,000
Provisions:
1. Funds appropriated by Schedule (a) of this item are for child nutrition programs pursuant to the provisions of Section 41311 of the Education Code; and claims for reimbursement of meals pursuant to this appropriation shall be submitted by school districts not later than September 30, 1990, to be eligible for reimbursement.
2. Notwithstanding any other provisions of law, except as provided in this provision, funds appro-

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priated by this item shall be available for allocation in accordance with provisions of Section 49536 of the Education Code, except that such allocation shall not be made on the basis of all meals served but shall be made on the basis of the number of meals that are served and which qualify as free or reduced priced meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.

3. Notwithstanding any other provisions of law and in lieu of the reimbursement rates prescribed by Section 49559 of the Education Code for Child Nutrition and Pregnant/Lactating Minors Nutrition Programs, allowances made with funds appropriated by this item shall be available at the following reimbursement rates:
   (a) Complete supplements shall be reimbursed at the rate of $0.5915 per meal.
   (b) Partial breakfast or lunch supplements shall be reimbursed at the rate of $0.2957 per meal or supplement.
   (c) For each pregnant or lactating student, the total reimbursement per day shall not exceed $0.5915.

6110-201-890—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the Federal Trust Fund 540,000,000

6110-209-001—For local assistance, Department of Education, for transfer to the Controller for reimbursement of claims received pursuant to Section 44944 of the Education Code, Program 10.10—School Apportionments 30,000

6110-224-001—For local assistance, Department of Education 36,950,000

Schedule:

(a)	10.10.950—School Apportionments (year-round school incentive payments)	35,700,000
(ax)	10.10.951—Lodi Unified School District one-time secondary year-round school incentive payments	950,000
(b)	10.10.020—Year-Round School Demonstration Program (Orchard Plan)	300,000

Provisions:

1. The provisions listed in Item 6110-224-344 are

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also applicable to Schedule (a) of this item.	
6110-224-344—For local assistance of Department of Education, Program 10.10-School Apportionments, for transfer to Section A of the State School Fund for funding applications received by the Office of Local Assistance by December 31, 1989, for the purposes of Sections 42250 and 42250.3 of the Education Code, incentive payments for utilizing alternatives to new construction or year-round schools, payable from the State School Building Lease-Purchase Fund	(7,255,000)

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item, and in Item 6110-224-001(a), shall be the only funds allocated as incentive payments for year-round school operations. Funds made available through this item shall be used to pay claims for year-round operations during the 1989–90 fiscal year only.
2. Applications for year-round incentive payments pursuant to Sections 42250 and 42250.3 of the Education Code must annually be received by the Office of Local Assistance by no later than December 31 of the year in which the year-round operation occurred and for which payment is sought; applications received after that date shall not be processed. The Office of Local Assistance shall certify all eligible and approved claims to the Superintendent of Public Instruction by no later than April 1 of the following year. In the event that the funds available for a fiscal year are insufficient to fully pay all claims for that year, the Superintendent of Public Instruction shall provide all approved claims with a prorated share of the funds made available.
3. If a district receives state reimbursement specifically attributable to the cost of operating schools on a year-round basis pursuant to a court-ordered or voluntary desegregation program, the district shall be eligible for any portion of the allowances for incentive payments pursuant to Section 42249 of the Education Code for the 1989–90 fiscal year but only to the extent that the district incurs costs in 1989–90 specifically attributed to operating schools on a year-round basis, as audited and approved by the

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State Controller, that exceed claims submitted for state reimbursement and deemed to be allowable costs by the State Controller for such year-round operation pursuant to Sections 44243.6 and 42249 of the Education Code for the 1989–90 fiscal year. Funds may be distributed during the 1989–90 fiscal year pursuant to this provision. However, the State Controller shall audit and may make adjustments to the funds distributed under this item in future years.

4. Notwithstanding subdivision (b) of Section 42250.3 of the Education Code, a school district that meets all the criteria described in subdivision (a) of Section 42250.3 shall receive, based only on year-round school operation during 1989–90, year-round education incentive payments calculated as follows:
   (a) The school district shall certify the number of pupils in year-round education in excess of the capacity of the school or schools, as determined by State Allocation Board classroom loading standards.
   (b) The Office of Local Assistance shall multiply the number of pupils determined in paragraph (a) by the allowable square footage of new construction for the grade levels of the excess pupils.
   (c) The Office of Local Assistance shall multiply the amount determined in paragraph (b) by the average cost of new construction that would be allowed for schools of that grade level in that locale.
   (d) The State Department of Education shall certify to the State Allocation Board the amount of land that would be necessary for an educationally adequate facility for the number and grade level of pupils determined in paragraph (a) above.
   (e) The Office of Local Assistance shall multiply the amount determined in paragraph (d) above by the cost of land in the area where a new school would be built, if the pupils were not participating in year-round education.
   (f) The Office of Local Assistance shall reduce the value of land in this calculation starting in the year after the state has purchased the

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land for the new school that would be built, if the pupils were not participating in year-round education. This reduction shall be one-third per year of the value of the land purchased. (g) The Office of Local Assistance shall add the amounts determined in paragraphs (c) and (e) or (f), whichever applies, and multiply the result by .05. (h) The Office of Local Assistance shall divide the amount determined by paragraph (g) by the amount of students enrolled in the facility or facilities used for year-round education. (i) The Office of Local Assistance shall determine the factor of excess pupil capacity by dividing the number of pupils determined in (a) above by the pupil capacity as determined by State Allocation Board classroom loading standards. (j) The Office of Local Assistance shall divide the factor of excess pupil capacity determined in (i) by .15. The result shall be rounded to the third decimal and shall not exceed 1.000. (k) The Office of Local Assistance shall multiply the factor determined in (j) by the amount determined in (h). The Office of Local Assistance shall certify the amount so determined to the State Allocation Board. (*l*) The State Allocation Board shall certify to the Superintendent of Public Instruction the amount determined in paragraph (k), not to exceed one hundred thirty-one dollars ($131) per pupil in year-round education facilities. (This amount has been adjusted to include the annual inflation for the prior calendar year on the basis of the cost index for class B construction as determined by the State Allocation Board in accordance with subdivision (b) of Section 42250.3 of the Education Code.) (m) In accordance with existing statutory law, a school district shall, in addition to the eligibility criteria specified in Section 42250.3 of the Education Code, also meet the applicable eligibility criteria for the in-	

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centive payments provided pursuant to Section 42250 of the Education Code (that is, the school district shall be eligible for funding for new construction under the State School Building Lease-Purchase Program).

(n) In determining if there is substantial overcrowding in the entire school district or high school attendance area pursuant to subdivision (a) of Section 42250.3 of the Education Code, the Office of Local Assistance shall calculate the capacity of the entire district or high school attendance area in accordance with the existing methods used to determine eligibility for new construction funding.

(o) Excess capacity shall reflect only the additional capacity that has been generated as a result of using a multitrack year-round calendar, and shall not reflect increased capacity generated by any other means.

It is the intent of the Legislature that this calculation of excess capacity not adversely affect school districts which participated in this program in the 1988–89 fiscal year. Therefore, for the 1989–90 fiscal year only, any school district that maintains at least the same number of students attending qualifying schools as it had in the 1988–89 fiscal year, shall receive total level funding not less than the level it received in the 1988–89 fiscal year.

5. Notwithstanding Provision 4, incentive payments shall be subject to the following conditions:

(a) Schools which received incentive payments in the preceding two fiscal years for accommodating pupils in excess of capacity will qualify for incentive payments in the 1989–90 fiscal year, provided the same or greater level of accommodation is achieved in the 1989–90 fiscal year.

(b) Schools not meeting the conditions of paragraph (a) of this provision shall accommodate at least 5 percent or more pupils over the capacity of the school.

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	(c) For the purposes of paragraph (a) or (b) of this provision, school districts may average the overcrowding accommodated among a combination of schools.	
	(d) No school accommodating a total number of pupils which is less than the capacity of the school for more than a majority of the school year shall qualify for incentive payments.	
	(e) It is the intent of the Legislature that, beginning in the 1990–91 fiscal year, no incentive payments shall be made for a school or combination of schools which on average accommodate fewer pupils than 105 percent of capacity. Pupils not on multitrack schedules shall be excluded from incentive payment computations.	
6110-225-001—For local assistance, Department of Education, Program 20.60.020 School Climate (School—Law Enforcement)		150,000
Provisions:		
1. Funds provided by this item are for support of the Interagency School Safety Demonstration Act of 1985 pursuant to Chapter 2.5 (commencing with Section 32260) of Part 19 of the Education Code.		
6110-226-001—For local assistance, Department of Education, for cost-of-living increases to be transferred to, in lieu of the amount which otherwise would be provided pursuant to statute, and in augmentation of the respective appropriations by the State Controller upon enactment in accordance with the following		810,579,000
Schedule:		
(a) 10.10—School Apportionments:		
(1) 10.10.001.001—K–12 District Revenue Limit, for the purpose of paragraph (1) of subdivision (b) of Section 42238 of the Education Code (for transfer to Item 6110-101-001)	600,049,000	

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(2)	10.10.001.002—K–12 Districts, Necessary Small Schools, for the purpose of subdivision (f) of Section 42238 of the Education Code (for transfer to Item 6110-101-001)	3,286,000
(3)	10.10.001.004—Meals for Needy Pupils Programs, for the purposes of Article 11 (commencing with Section 49550) of Chapter 9 of Part 27 of the Education Code (for transfer to Item 6110-101-001)	1,560,000
(4)	10.10.004—Regional Occupation Centers and Programs, for the purpose of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code, in lieu of the amount which would otherwise be appropriated for inflation adjustments pursuant to Sections 2557 and 42238 of the Education Code (for transfer to Item 6110-102-001)	9,998,000

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(5)	10.10.005—K–12 County Offices of Education, in lieu of the amount which would otherwise be appropriated for the purposes of Section 2557 and paragraph (2) of subdivision (a) of Section 2551.3 of the Education Code (for transfer to Item 6110-106-001)	11,423,000
(5.1)	10.10.006—Transportation, for the purpose of Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code (for transfer to Item 6110-111-001) 10.10.008 Transportation, for the purpose of Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code (for transfer to Item 6110-111-001)	13,459,000
(5.2)	10.10.008—School Bus Replacement (for transfer to Item 6110-111-001)	146,000

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	(6) 10.10.011—Summer School Programs, for the purpose of Section 42239 of the Education Code (for transfer to Item 6110-101-001)	4,479,000
	(7) 10.10.018—Court-ordered Desegregation, for the purpose of Sections 42243.6 and 42247 of the Education Code (for transfer to Item 6110-114-001).....	13,040,000
	(8) 10.10.019—Voluntary Desegregation, for the purpose of Sections 42247 and 42249 of the Education Code (for transfer to Item 6110-115-001).....	2,883,000
(ax)	10.30—Other Compensatory Programs:	
	(1) 10.30.040—Demonstration Programs in Reading and Mathematics (for transfer to Item 6110-146-001)	203,000
	(2) 10.30.050—American Indian Education Centers (for transfer to Item 6110-151-001).....	40,000

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	(3) 10.30.070—Economic Impact Aid, for the purpose of Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code (for transfer to Item 6110-121-001)	9,139,000
(b)	10.50—Adult Education:	
	(1) 10.50.010.001—In lieu of the amount which would otherwise be appropriated for the purpose of subdivision (a) of Section 52616 of the Education Code (for transfer to Item 6110-156-001)	12,048,000
	(2) 10.50.010.002—Adults in Correctional Facilities, for the purpose of Section 41841.5 of the Education Code (for transfer to Item 6110-158-001)	111,000
(c)	10.60—Special Education:	
	(1) In lieu of the amount which would otherwise be appropriated for the purpose of Section 56723 of the Education Code (for transfer to Item 6110-161-001)	87,261,000

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	(2) In lieu of the amount which would otherwise be appropriated for the purpose of Section 56782 of the Education Code (for transfer to Item 6110-161-001)	1,314,000
	(3) In lieu of the amount which would otherwise be appropriated for the purpose of the Alternatives to Special Education Program (for transfer to Item 6110-162-001).....	20,000
(cx)	10.70—Vocational Education Programs:	
	(1) 10.70.001—Partnership Academies (for transfer to Item 6110-166-001)	67,000
	(2) 10.70.010—Vocational Education Student Organizations (for transfer to Item 6110-166-001)	26,000
	(3) 10.70.080—Agricultural Vocational Education (for transfer to Item 6110-167-001).....	139,000

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(d) 10.80.010—Gifted and Talented Program, in lieu of the amount which would otherwise be appropriated for purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, (for transfer to Item 6110-124-001)	1,087,000	
(dx) 20.10.055—Environmental Education (for transfer to Item 6110-181-001)		24,000
(e) 20.20.020—Instructional Materials·		
(1) 20.20.020.001—Instructional Materials Management and Distribution for Kindergarten through grade 8, in lieu of the amount which would otherwise be appropriated for inflation adjustments pursuant to Section 60246 of the Education Code (for transfer to Item 6110-186-001).....	3,429,000	
(2) 20.20.020.002-Instructional Materials Management and Distribution for grades 9 through 12 (for transfer to Item 6110-187-001).....	1,011,000	
(gx) 20.40—Supplementary Program		

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Services:		
(1) 20.40.060-Instructional Support-Foster Youth (for transfer to Item 6110-119-001).....	38,000	
(2) 20.40.070-Opportunity Program Incentives (for transfer to Item 6110-119-001).....	61,000	
(3) 20.40.090-Specialized Secondary Programs (for transfer to Item 6110-119-001	97,000	
(gxx) 20.40.100—Dropout Prevention Programs (for transfer to Item 6110-120-001)		387,000
(gxxx) 20.41—Intergenerational Programs (for transfer to Item 6110-128-001).....		8,000
(gxxxx) 20.60—Improving School Effectiveness:		
(1) 20.60.010.001-Administrator Training and Evaluation Program (for transfer to Item 6110-191-001(a))...	223,000	
(2) 20.60.020.002-Tenth Grade Counseling Program (for transfer to Item 6110-109-001)	330,000	
(3) 20.60.030.001-School Improvement Program for Grades K–6 (for transfer to Item 6110-116-001).....	9,930,000	
(4) 20.60.030.002-School Improvement Program for Grades 7–12 (for transfer to Item 6110-116-001).....	1,507.000	

Item		Amount
(5)	20.60.050.000-Mentor Teacher Program (for transfer to Item 6110-191-001(b))	2,974,000
(6)	20.60.050.002-Begin Teacher Support & Assess (for transfer to Item 6110-191-001(g)) ..	80,000
(7)	20.60.070.000-Staff Development, Bilingual Teacher Training (for transfer to Item 6110-191-001(c))...	39,000
(8)	20.60.110.000-Reader Services for Blind Teachers (for transfer to Item 6110-191-001(f))	8,000
(9)	20.60.120.000-Staff Development, International Studies (for transfer to Item 6110-191-001(d))	41,000
(10)	20.60.140.000-Staff Development, Teacher Improvement (DOE/CSU) (for transfer to Item 6110-191-001(e))	53,000
(11)	20.60.155.002-Regional Resource Science Center (for transfer to Item 6110-191-001(h))	23,000
(12)	20.60.160.001-Miller-Unruh Reading Program (for transfer to Item 6110-126-001)	922,000

Item	Amount
(13) 20.60.160.002-Native American Indian Program (for transfer to Item 6110-131-001).....	17,000
(gz) 30.10—Child Care Programs (for transfer to Item 6110-196-001):	
(1) 30.10.010.000—Special Programs—Preschool education...	1,729,000
(2) 30.10.020.001—General child development programs.....	9,671,000
(3) 30.10.020.002—Campus children's centers.	297.000
(4) 30.10.020.003—High school age parenting and infant development.....	322,000
(5) 30.10.020.004—Migrant daycare.....	340,000
(6) 30.10.020.005—Special allowances for rent.....	20,000
(7) 30.10.020.006—Special allowances for handicapped.....	34,000
(8) 30.10.020.007—Alternative payment program.	1,538,000
(9) 30.10.020.008—Resource and referral.....	353,000
(10) 30.10.020.009—Campus child care tax bailout	194,000
(11) 30.10.020.010—Protective services.....	50,000
(12) 30 10.020.015—Extended day care.....	748,000
(13) 30.10.020.018—Exceptional needs.....	20,000
(h) 30.20—Child Nutrition (for transfer to Item 6110-201-001):	
(1) 30.20.010-Child Nutrition	2,269,000

Item		Amount
(2) 30.20.020-Child Nutrition, Pregnant/Lactating Minors.....	14,000	
6110-227-001—For local assistance, Department of Education, for cost-of-living increases to be transferred to, and in augmentation of, the appropriation in Item 6120-211-001 by the State Controller upon enactment, in accordance with the following.....		1,608,000
Schedule:		
(a) 50.20.000—Statewide Library Support and Development (for transfer to Item 6120-211-001).....	1,608,000	
6110-401—For maintenance of accounting records by the State Controller's office and the Department of Education or any other agency maintaining such records, appropriations made in this act for agencies 6110 (Department of Education) and 6120 (State Library) are to be recorded under agency 6100 (Department of Education).		
6110-402—Notwithstanding any provision of law to the contrary, no funds appropriated by this act, or by any act enacted prior to the enactment of this act, shall be, in the absence of a court order, deemed appropriated or available for expenditure for purposes of claims for vocational education average daily attendance arising from Section 46140 of the Education Code as it read prior to the enactment of Chapter 1230 of the Statutes of 1977.		
6110-490—Reappropriation, Department of Education. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation, is reappropriated for the purposes provided for in that appropriation and any additional purposes provided in this section, and shall be available for encumbrance and expenditure until June 30, 1990:		
001—General Fund		
(1) Item 6100-119-001(b), Budget Act of 1984, for the purpose of expanding Opportunity Classes and Programs.		
(2) Item 6110-001-001, Budget Act of 1988, for the purpose of the fiscal data base project.		
Provisions:		
1. Notwithstanding any other provision of law, the amount reappropriated shall be the maximum		

Item		Amount
amount allocated for the purposes of Article 2.3 of Part 27 (commencing with Section 48643) of the Education Code. If the total reappropriation is not sufficient to fund all excess costs of expanding Opportunity Classes and Programs as provided in Section 48643 of the Education Code, a deficit factor will be applied to all district apportionments as necessary.		
2. Notwithstanding Section 48644 of the Education Code, funds allocated to school districts for the expansion of Opportunity Classes and Programs shall not exceed $425 per unit of average daily attendance (ADA), based on the additional enrollment in these classes and programs above the 1982–83 enrollment levels, expressed in terms of ADA. For the purposes of making this allocation to Opportunity Programs, the superintendent shall use the following definition to express enrollment in Opportunity Programs in terms of ADA. Using total positive clock hours scheduled and attended during the year, 405 hours of opportunity program assignment equals one Opportunity Program ADA. (405 hours is the product of a Second Principal Apportionment divisor of 135 and three hours of attendance per day.)		
6110-495—Reversion, Department of Education As of June 30, 1989, the following amounts of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.		
001—General Fund		
(1) Chapter 1607, Statutes of 1984, School/Law Enforcement	499	
(2) Chapter 259, Statutes of 1987, San Jose Desegregation	348	
036—School Facilities Lease Purchase Fund Chapter 798, Statutes of 1980	10,323	
6120-011-001—For support of Department of Education, California State Library, Division of Libraries, and California Library Services Board		11,332,000
Schedule:		
(a) 50-Library Services	12,947,000	
(b) Reimbursements	−22,000	
(c) Amount payable from the Federal Trust Fund (Item 6120-011-890)	−1,593,000	

Item		Amount
6120-011-890—For support of Department of Education, for payment to Item 6120-011-001, payable from the Federal Trust Fund		1,593,000
6120-211-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development		15,148,000
Provisions:		
1. Funds appropriated by this item are for allocation by the California Library Services Board to eligible libraries and library systems pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code.		
2. Of the funds appropriated in this item, $4,829,000 shall be allocated for the Direct Loan and Interlibrary Loan Programs of the California Library Services Act.		
6120-211-890—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development, payable from the Federal Trust Fund		12,000,000
6120-221-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development—Public Library Foundation Program		21,556,000
6255-001-001—For state operations, California State Summer School for the Arts		0
Schedule:		
(a) 10-California State Summer School for the Arts	1,280,000	
(b) Reimbursements from private donations and fees	−700,000	
(c) Less allocation from Department of Education, Item 6110-101-001	−580,000	
6300-495—Reversion, State Teachers' Retirement Fund. As of June 30, 1989, the Controller shall revert to the unappropriated surplus of the General Fund the unencumbered balance of the funds transferred to the Retirees' Purchasing Power Protection Account within the State Teachers' Retirement Fund pursuant to Item 6300-111-001 of the Budget Act of 1988.		
6320-001-001—For support of California State Council on Vocational Education		99,000
Schedule:		
(a) 10-State Council on Vocational Education	332,000	

Item		Amount
(b) Amount payable from the Federal Trust Fund (Item 6320-001-890) ..	−233,000	
6320-001-890—For support of California State Council on Vocational Education, for payment to Item 6320-001-001, payable from the Federal Trust Fund		233,000
6330-001-890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund		154,000
Schedule:		
(a) 10-California Occupational Information Coordinating Committee	164,000	
(b) Reimbursements	−10,000	
6350-201-001—For local assistance, School Facilities Aid Program—Asbestos Abatement, for transfer to the Asbestos Abatement Fund, for the purposes of Section 39619.9 of the Education Code		100,000
Provisions:		
1. These funds shall be available for expenditure in support of the Department of Industrial Relations, Cal-OSHA, as appropriated in Item 8350-001-973, for increasing monitoring and inspections of school asbestos abatement projects.		
6360-001-001—For support of the Commission on Teacher Credentialing		1,100,000
Provisions:		
1. Pursuant to Chapter 1355, Statutes of 1988, the funds appropriated by this item and $2,668,000 in Item 6110-191-001 are for a joint study of alternative models of beginning teacher support and assessment by the Commission on Teacher Credentialing and the Department of Education (DOE). The study shall establish alternative models of beginning teacher support and assessment mechanisms in school districts and evaluate the costs and benefits of the alternative models.		
These funds shall be expended only upon development of a joint program and expenditure plan by the commission and the Department of Education and approval of the plan by the Director of Finance.		
6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund		6,946,000

Item		Amount
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	6,946,000	
(b) 10.60.01-Departmental Administration	1,681,000	
(c) 10.60.02-Distributed Departmental Administration	−1,681,000	
6360-001-408—For support of Commission on Teacher Credentialing, payable from the Test Development and Administration Account of the Teacher Credentials Fund		3,535,000
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	3,535,000	
6420-001-001—For support of California Postsecondary Education Commission		3,384,000
Schedule:		
(a) 100000-Personal Services	2,809,000	
(b) 300000-Operating Expenses and Equipment	777,000	
(c) Reimbursements	−20,000	
(d) Amount payable from the Federal Trust Fund (Item 6420-001-890)	−182,000	
6420-001-890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-001, payable from the Federal Trust Fund		182,000
6420-101-890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund		4,127,000
6440-001-001—For support of University of California		1,966,297,000
Schedule:		
(a) Support	1,943,792,000	
(b) Charles Drew Medical Program	6,213,000	
(c) Podiatry Program	849,000	
(d) Mathematics, Engineering and Science Achievement (MESA)	1,803,000	
(e) Acquired Immune Deficiency Syndrome (AIDS) Research	9,200,000	
(f) Energy Service Contracts	1,542,000	
(g) Area Health Education Center	200,000	
(h) Institute of Global Conflict and Cooperation	550,000	
(i) Animal Research Alternatives	428,000	
(j) Alzheimer and Geriatrics Program	1,000,000	
(k) Human Corps program	70,000	
(*l*) Center for Cooperatives	350,000	

Item		Amount
(m) Aquaculture and Fisheries research		300,000

Provisions:

1. The appropriations from these funds are exempt from Section 31 of this act.
2. None of the funds appropriated may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be reported under the provisions of Section 28 of this act.
3. The funds appropriated in category (b) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973.
4. The University of California shall ensure by adequate controls that funds appropriated by Schedule (b) are expended solely for the support of such programs.
5. The funds appropriated by Schedule (c) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric Medicine as provided for in Sections 1 and 4, inclusive, of Chapter 1497, Statutes of 1974.
6. Of the amount in Schedule (a), $2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.
7. $4,080,000 of the amount in Schedule (a) shall be available only for microelectronics research, and shall be expended subject to the oversight and policy direction of a committee, to be appointed by the president of the university and to consist of equal numbers of state government, university, and electronics or semiconductor, or both, industry representatives, for the purposes of advancing appropriate research and graduate

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education in microelectronics research, including innovative research in microelectronics technology, its applications in computer and information sciences, and its necessary antecedents in other physical science disciplines.

The expenditure of the $4,080,000 available for microelectronic research shall also be subject to the following conditions:

(1) The university may utilize no more than $204,000 of the $4,080,000 for administrative and related costs.

(2) The university may utilize a portion of the $4,080,000 as support for graduate student education and related professional teaching support.

(3) To the extent possible, expenditures subject to the limits in paragraphs (1) and (2) shall be reimbursed through the joint research projects specified in paragraph (4).

(4) The balance of the appropriation shall be used to fund industry/academic joint research projects for the policy purposes noted above, on a project-by-project basis, with a one-to-one match in total from the $4,080,000 and an industry contribution respectively.

8. No funds appropriated by this act may be used by the Regents of the University of California to reclassify instructional capacity space, administrative space, library space, or faculty offices to other uses unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

9. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts

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budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enrollment of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the university was based; provided, that no increased expenditure may exceed $6,000,000 in the aggregate for both the University of California and the California State University or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the University of California is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

For purposes of this provision, graduate enrollments of the University of California shall be excluded from all calculations.

10. It is the intent of the Governor and the Legislature that $68,000,000, which otherwise would have been appropriated toward employer contributions to the University of California Retirement System for the 1989–90 fiscal year, is hereby deferred for the 1989–90 fiscal year. This amount shall be restored in the 1990–91 fiscal year Budget Act. In addition, the amount deferred in 1989–90 fiscal year shall be amor-

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tized by supplemental appropriations to be included in the 1990–91 Budget Act and each fiscal year thereafter for a period not to exceed 30 years. These supplemental appropriations will be in addition to other appropriations for the support of the university and will be in amounts which, in total, will be the actuarial equivalent of the amount deferred pursuant to this act.	
6440-001-046—For support of University of California, Institute of Transportation Studies, payable from the Transportation Planning and Development Account, State Transportation Fund	956,000
6440-001-144—For support of University of California, Research in Mosquito Control, payable from the California Water Fund	100,000
6440-001-234—For support of the University of California, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	42,038,000
6440-001-785—For support of University of California, payable from the 1988 Higher Education Capital Outlay Bond Fund	2,200,000
Provisions: 1. The funds appropriated by this item are for the purpose of removing asbestos-containing materials. 2. The University of California shall obtain air samples of all spaces that are scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that upon completion of the project, the air-borne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.	
6440-001-814—For support of University of California, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund	25,128,000
Provisions: 1. All funds received pursuant to Proposition 37 that are allocable to the University of California pursuant to Section 8880.5 of the Government	

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	Code and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6440-003-001—For support of the University of California, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the university to make the required lease-purchase payment		15,000,000
6440-006-001—For support of the University of California, in addition to, and in augmentation of Item 6440-001-001, Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology...		38,882,000
6440-011-001—For support of University of California, for augmentation for employee compensation.....		52,807,000
	Provisions:	
	1. The funds herein appropriated are for increases in salaries and wages, including increases in benefits related thereto, so that sufficient money will be available for each employee of the University of California whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided by the Regents of the University of California.	
	2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for employees of the University of California for the 1989–90 fiscal year. Funds appropriated for employee compensation increases are to be allocated by the Regents of the University of California for employees of the University of California, in accordance with salary and benefit schedules established by the Regents of the University of California.	
	3. Of the funds appropriated in this item, $21,564,000 shall be for faculty salaries. The funds are sufficient to provide a faculty salary increase averaging 4.7 percent, effective January 1, 1990.	
	4. Of the funds appropriated in this item, $17,707,000 shall be for staff salary increases and special salary adjustments. The funds are sufficient to provide a nonfaculty salary increase averaging up to 4 percent and nonfaculty salary equity adjustments averaging 1 percent, effective January 1, 1990.	

Item		Amount
5. Of the funds appropriated in this item, $12,105,000 shall be available to the University of California for faculty, nonfaculty and annuitants benefits. The funds are sufficient to maintain faculty and nonfaculty benefits at the same rate of increase as for civil service and related employees.		
6. Of the funds appropriated in this Item $1,431,000 shall be available to the University of California for additional annuitants.		
6440-016-001—For transfer to the University of California for support of the teaching hospitals at Irvine, San Diego, and Sacramento, upon order of the Director of Finance, to offset any net losses incurred by the teaching hospitals for the 1988–89 fiscal years		8,000,000
6440-301-525—For capital outlay, State Public Works Board, payable from the High Technology Education Revenue Bond Fund from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of University of California facilities pursuant to Government Code Section 15820, et seq.		90,176,000
Schedule:		
Berkeley Campus:		
(1) 99.01.015-Construct life science building renovation	34,976,000	
Santa Barbara Campus:		
(2) 99.08.030-Construct physical sciences building	25,205,000	
Santa Cruz Campus:		
(3) 99.07.040-Construct earth and marine sciences building	29,995,000	
6440-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of University of California library facilities pursuant to Government Code Section 15820.30, et seq.		30,010,000
Schedule:		
San Diego Campus:		
(1) 99.06.045-Construct central library addition	30,010,000	

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6440-301-785—For capital outlay, University of California, payable from the 1988 Higher Education Capital Outlay Bond Fund		67,822,000
Schedule:		
Universitywide:		
(1) 99.00.005-Minor capital outlay	1,000,000	
(3) 99.00.020-Equip Northern Regional Library Facility, phase 2	314,000	
Berkeley Campus:		
(4) 99.01.080-Construct campus electrical distribution system expansion and renovation, step 3	4,797,000	
(5) 99.01.085-Preliminary plans for Doe and Moffitt Libraries addition and seismic improvement	1,600,000	
(5.1) 99.01.090-Preliminary plans for seismic safety corrections	208,000	
Davis Campus:		
(6) 99.03.020-Construct and equip Shields Library alterations and expansion	12,097,000	
(7) 99.03.075-Working drawings for Engineering unit 2	1,664,000	
(8) 99.03.080-Construct food science and technology remodel	1,480,000	
Irvine Campus:		
(9) 99.09.050-Construct physical sciences unit 1 renovation	10,638,000	
(10) 99.09.065-Working drawings for science library	1,197,000	
(11) 99.09.070-Construct campus roadway improvements, step 1	3,255,000	
(12) 99.09.075-Preliminary plans and working drawings for central plant chiller, step 2	135,000	
(13) 99.09.080-Preliminary plans for engineering unit 2	975,000	
Los Angeles Campus:		
(14) 99.04.010-Equip School of Engineering and Applied Sciences expansion	1,729,000	
(15) 99.04.020-Construct School of Engineering and Applied Sciences retrofit	8,500,000	
(16) 99.04.050-Working drawings and construct electrical distribution system expansion, step 1	1,883,000	

Item		Amount
(17)	99.04.055-Working drawings for Anderson Graduate School of Management	1,315,000
(17.1)	99.04.060-Preliminary plans for Powell Library seismic renovation	1,542,000
Riverside Campus:		
(18)	99.05.040-Preliminary plans and working drawings for electrical distribution system, phase 1	243,000
(19)	99.05.045-Preliminary plans for soils and plant nutrition building seismic upgrade and remodel	204,000
San Diego Campus:		
(20)	99.06.050-Equip Urey Hall renovations	1,086,000
(21)	99.06.055-Equip computer science renovation	326,000
(22)	99.06.065-Construct undergraduate sciences building renovation and seismic corrections	5,189,000
(23)	99.06.070-Working drawings for science building	1,902,000
(24)	99.06.080-Preliminary plans for visual arts facility	343,000
San Francisco Campus:		
(25)	99.02.005-Equip campus library	544,000
Santa Cruz Campus		
(26)	99.07.020-Equip science library	497,000
(27)	99.07.025-Equip natural sciences alterations	1,968,000
(28)	99.07.030-Equip College Eight academic unit	222,000
(29)	99.07.050-Preliminary plans for Colleges Nine and Ten academic facilities	919,000
(30)	99.07.055-Preliminary plans for science library released space alterations	50,000

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balance, as of June 30, 1989, of the appropriation provided in the following citation, is reappropriated for replacement of instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance and expenditure until June 30, 1990.

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001 General Fund

(1) Item 6440-001-001, Budget Act of 1988

Provisions:

1. The University of California shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1989, of Item 6440-001-001 of the Budget Act of 1988, by September 30, 1989, and the expenditures made pursuant to this item by September 30, 1990.
2. The University of California shall return to the State Controller, state general funds appropriated in the Budget Act of 1988 in an amount equal to the General Fund portion of federal contract and grant overhead funds in excess of the 1988–89 fiscal year budgeted amount, except that the University of California may retain the first $331,000 over the amount budgeted for revenue bond repayment, and an additional $300,000 for Sustainable Agriculture competitive grants and information and development projects.

6440-491—Reappropriation, University of California. Notwithstanding any other provision of law, the balance, as of June 30, 1989, of the appropriation provided in the following citation is reappropriated and shall be available for encumbrance and expenditure until June 30, 1990.

001 General Fund

(1) Item 6440-003-001, Budget Act of 1988

6440-492—Reappropriation, University of California. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations.

Item 6440-301-785, Budget Act of 1988:

(15) 99.09.060.880—Irvine, Preliminary plans and working drawings for Steinhaus Hall renovation.

(38) 99.07.045.880—Santa Cruz, Preliminary plans and working drawings for Meyer Drive extension, phase I.

6600-001-001—For support of Hastings College of the Law 12,319,000

Provisions:

1. The appropriations from these funds are ex-

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empt from Section 31.00 of this act.	
6600-001-785—For support of Hastings College of the Law, payable from the 1988 Higher Education Capital Outlay Bond Fund	232,000
6600-001-814—For support of Hastings College of the Law, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund	230,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the Hastings College of the Law pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6600-006-001—For support of Hastings College of the Law, in addition to, and in augmentation of Item 6600-001-001, Program 40, Student Services, to provide financial aid to needy students attending Hastings College of the Law, according to the nationally accepted needs analysis methodology	538,000
6600-011-001—For support of Hastings College of the Law, for augmentation for employee compensation	416,000
Provisions:	
1. The funds herein appropriated are for increases in salaries and wages, including increases in benefits related thereto, such that sufficient money will be available for each academic and non-academic employee of Hastings College of the Law whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increase provided commencing January 1, 1990, by the Directors of Hastings College of the Law.	
2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for academic and non-academic employees of Hastings College of the Law for the 1989–90 fiscal year. Funds appropriated for employee compensation increases are to be allocated by the Directors of Hastings College of the Law for the employees of Hastings College of the Law in accordance	

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with salary and benefit schedules established by the Directors of Hastings College of the Law.

3. Of the funds appropriated in this item, $125,000 shall be for faculty salary increase. The funds are sufficient to provide a faculty salary increase averaging 4.7 percent, effective January 1, 1990.
4. Of the funds appropriated in this item, $158,000 shall be for salary increases and special salary adjustments. The funds are sufficient to provide a nonfaculty salary increase averaging up to 4 percent and nonfaculty salary equity adjustments averaging 1 percent, effective January 1, 1990.
5. Of the funds appropriated in this item, $106,000 shall be available to the Directors of Hastings College of the Law for faculty and nonfaculty benefits. The funds are sufficient to maintain faculty and nonfaculty benefits at the same rate of increase as for civil service and related employees
6. Of the funds appropriated in this item, $27,000 shall be available to the Directors of Hastings College of the Law for additional annuitants.

6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the balance, as of June 30, 1989, of the appropriation provided in the following citation is reappropriated for instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance and expenditure until June 30, 1990.

001 General Fund

(1) Item 6600-001-001, Budget Act of 1988

Provisions:

1. The Hastings College of the Law shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1989, of Item 6600-001-001 of the Budget Act of 1988, by September 30, 1989, and the expenditures made pursuant to this item by September 30, 1990

6610-001-001—For support of Trustees of the California State University and the California State University..... 1,580,130,000

Schedule:

(a) 01-Instruction..... 1,165,258,000
(b) 03-Public Service..... 1,251,000
(c) 04-Academic Support..... 205,204,000

Item		Amount
(d) 05-Student Service		158,015,000
(e) 06-Institutional Support		398,105,000
(f) 07-Independent Operations		67,754,000
(g) 11-Provisions for Allocation		−36,829,000
(h) Administration		167,979,000
(i) Distributed Administration		−167,979,000
(j) Reimbursements		−32,459,000
(k) Amounts payable from the General Fund (Item 6610-010-001)		−346,169,000

Provisions:

1. The funds appropriated in this item shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions with the following exceptions:
   (a) The trustees may transfer excess salary savings funds from the salary savings reserve allotments to expenditure allotments provided such transfers do not exceed 20 percent of salary savings. Excess salary savings funds are those in excess of the amount budgeted.
   (b) The trustees may approve transfer of funds between one or more of the programs for which funds are appropriated for the support of the California State University.

   Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.
2. The funds appropriated in this item may be reallocated upon order of the Trustees of the California State University subject to being reported to the Department of Finance; provided that no instructional faculty positions authorized for the 1989–90 fiscal year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research.
3. No portion of the funds appropriated in this item for instructionally related activities may be expended for intercollegiate athletics.
4. No funds appropriated in this item or Item 6610-021-001 or Item 6610-301-525 or Item 6610-301-660 or Item 6610-301-785 may be used by the Trustees of the California State University to re-

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classify instructional capacity space, administrative space, library space, or faculty offices to other uses unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

5. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enrollment of the California State University exceeds by 2 percent or more the enrollment upon which the budget for the state university was based; provided, that no increased expenditure may exceed $6,000,000 in the aggregate for both the California State University and the University of California or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after no-

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tification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

Based upon fall annualized full-time equivalent (FTE) students, all surplus funds withdrawn from any campus consistent with the policy of the California State University (CSU) system due to fluctuations in student enrollments, shall be returned:

(a) To campuses with enrollments in excess of the budgeted level consistent with the CSU policy and

(b) To all campuses for allocation to the programs of "Instruction" and "Academic Support".

"Surplus" is defined as those funds in excess of that returned to the state pursuant to this section. No exceptions to the above prescribed allocation may be made unless prior approval is given by the Department of Finance and is reported to the Chairperson of the Joint Legislative Budget Committee, and the financial necessity of any such exception shall be identified.

6. The funds appropriated in this item for Program 05—Student Service, to provide financial aid to California State University students, shall be used to provide financial aid to needy students according to the nationally accepted needs analysis methodology.
7. Of the amount appropriated in Schedule (g), $312,000 is available for transfer to the California State University and Colleges Special Projects Fund, pursuant to the provisions of Public Resources Code Section 25008.5, which allows state agencies to retain 50% of the financial benefits realized through energy savings projects.
8. Of the amount appropriated in Schedule (e), $1,936,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.

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6610-001-785—For support of Trustees of the California State University and the California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund 5,000,000

Provisions:

1. The funds appropriated by this item are for the purpose of removing asbestos-containing materials identified in categories C, D and F in the CSU Asbestos Abatement Feasibility Study, Composite Report, dated May 31, 1988.
2. California State University shall obtain air samples of all spaces that are scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.
3. Notwithstanding Section 2.00 of this act, the funds appropriated by this item shall be available for expenditure until June 30, 1992.

6610-001-814—For support of Trustees of the California State University and the California State University, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5, as enacted by the voters in Proposition 37 at the November 1984, general election, payable from the California State Lottery Education Fund ..... (44,513,000)

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to the California State University pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.

6610-001-890—For support of Trustees of the California State University and the California State University, payable from the Federal Trust Fund 82,864,000

Provisions:

1. All funds deposited in the Federal Trust Fund for the California State University for the purposes of this item and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item and are

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exempt from Section 28.00 of this act, pursuant to Education Code Section 89753(a).		
6610-002-001—For support of Trustees of the California State University and the California State University for transfer to and in augmentation of Item 6610-001-001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate and Executive Fellows program and the Center for California Studies		1,303,000
Schedule:		
(a) Center for California Studies —Fellows Program	158,000	
(b) Center for California Studies —Other	25,000	
(c) Assembly Fellows	420,000	
(d) Senate Fellows	420,000	
(e) Executive Fellows	280,000	
6610-003-001—For support of Trustees of the California State University and the California State University for transfer to and in augmentation of Item 6610-001-001, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the California State University to make the required lease-purchase payment		2,844,000
6610-006-001—For support of the Trustees of the California State University and of the California State University, for transfer to the Affordable Student Housing Revolving Fund		350,000
Provisions:		
1. The funds appropriated by this item are for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward Campuses in accordance with the provisions of Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of the Education Code.		
6610-010-001—For support of Trustees of the California State University and the California State University, for payment to Item 6610-001-001, payable from CSU fees, Uniform Codes Manual revenue account 142800, General Fund		346,169,000
Provisions:		
1. All funds received in account 142800 and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.		

Item		Amount
6610-021-001—For support of Trustees of the California State University, and the California State University, in addition to and in augmentation of Item 6610-001-001, Program 06, payable from the General Fund		3,965,000
Schedule:		
(a) 06-Institutional Support (deferred maintenance and special repair projects)	3,965,000	
Provisions:		
1. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (a) shall be available for expenditure until June 30, 1991.		
6610-021-036—For support of Trustees of the California State University, and the California State University, payable from the Special Account for Capital Outlay		3,500,000
Schedule:		
(a) 06-Institutional Support (deferred maintenance and special repair projects)	3,500,000	
Provisions:		
1. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (a) shall be available for expenditure until June 30, 1991.		
6610-031-001—For support of Trustees of the California State University and the California State University, for augmentation for employee compensation		53,119,000
Schedule:		
(a) 97.20-Faculty Salary Increase	22,075,000	
(b) 97.20-Nonfaculty Salary Increase	12,368,000	
(c) 97.20-Nonfaculty Salary Equity Adjustments	4,042,000	
(d) 97.20-Benefit Maintenance	14,634,000	
Provisions:		
1. The funds herein appropriated are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance, in augmentation of Item 6610-001-001 or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to		

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the General Fund, to receive any such increases provided by the Trustees of the California State University.

2. Amounts proposed for employee compensation increases constitute the total increase in compensation for all employees of the California State University for the 1989–90 fiscal year. Funds appropriated for employee compensation increase are to be allocated by executive order of the Department of Finance to the Trustees of the California State University in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in units not yet certified, or in units that are certified but are not bargaining for a 1989–90 memorandum of understanding as of the date of this act, in accordance with salary and benefit schedules established by the Trustees of the California State University.
3. The funds appropriated in Schedule (a) are sufficient to provide a faculty salary increase averaging 4.8 percent, effective January 1, 1990.
4. The funds appropriated in Schedule (b) are sufficient to provide a nonfaculty salary increase averaging up to 4.0 percent, effective January 1, 1990.
5. The funds appropriated in Schedule (c) are sufficient to provide nonfaculty salary equity adjustments averaging 1.3 percent, effective January 1, 1990.
6. The funds appropriated in Schedule (d) are sufficient to maintain faculty and nonfaculty benefits at the same rate of increase as for civil service and related employees.
7. No faculty salary increase that is the result of a bonus payment or granted on any other one-time basis shall be subject to retirement contributions or taken into consideration when calculating final compensation for purposes of determining an employee's retirement allowance under either the State Teachers' Retirement System or the Public Employees' Retirement System. These one-time increases shall not be added to the university's base budget in subsequent years.
8. Notwithstanding the provisions of Section 6.50 of this act, funds appropriated in this item for

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faculty and nonfaculty salary increases may not be transferred between these categories.		
6610-301-525—For capital outlay, State Public Works Board, payable from the High Technology Education Revenue Bond Fund from the proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of California State University facilities pursuant to Government Code Section 15820, et seq.		38,882,000
Schedule:		
California State University, Chico:		
(1) 06.52.054—Construction, O'Connell Technology Center	9,041,000	
California State University, Fresno:		
(2) 06.56.077—Construction, Engineering East Addition	7,410,000	
California State University, Fullerton:		
(3) 06.62.069—Working Drawings and Construction, Science Building Addition and Renovation, Phase I	22,431,000	
6610-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of California State University instructional facilities pursuant to Government Code Section 15820.50 et seq.		81,226,000
Schedule:		
California State University, Fresno:		
(1) 06.56.079—Construction, University Farm Laboratory	7,077,000	
Humboldt State University:		
(2) 06.67.084—Working Drawings and Construction, Founders Hall Rehabilitation	8,102,000	
California State Polytechnic University, Pomona:		
(3) 06.98.091—Construction, Classrooms/Laboratories/Administration Building, Phase I	23,985,000	
San Diego State University:		
(4) 06.80.116—Construction, North San Diego Campus, Initial Facility	18,282,000	
San Francisco State University:		
(5) 06.84.085—Construction, Remodel Arts and Industry and Addition	14,947,000	

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	California State Polytechnic University, San Luis Obispo:	
	(6) 06.96.087—Construction, Dairy Science I, Instructional Center....	4,120,000
	San Diego State University:	
	(7) 06.80.109—Working drawings and construction, Chemistry/Geology Building addition—Chilled Water System expansion	4,713,000
6610-301-785—For capital outlay, Trustees of the California State University and the California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund		66,671,000
	Schedule:	
	Systemwide—Trustees of the California State University:	
	(1) 06.48.313—Statewide Preliminary Planning for selected 1990/91 projects	400,000
	(2) 06.48.314—Statewide Architectural Services	200,000
	(3) 06.48.315—Statewide Minor Capitol Outlay, preliminary planning, working drawings, construction and equipment.....	3,464,000
	(4) 06.48.321—Statewide—Feasibility Studies for Energy Retrofits.....	120,000
	California State University, Bakersfield:	
	(5) 06.50.051—Construction, Campus Entry Development.....	588,000
	(6) 06.50.054—Preliminary planning, Walter W. Stiern Library	336,000
	California State University, Dominguez Hills:	
	(7) 06.54.057— Construction, Educational Resources Center for Library Remodeling	773,000
	California State University, Fresno:	
	(8) 06.56.067—Working Drawings, Music Building Remodel and Addition, Phase I.....	355,000
	(9) 06.56.070—Preliminary Planning, Education Building	324,000
	California State University, Fullerton:	
	(10) 06.62.066—Equip Engineering Building Addition.....	2,698,000

Item	Amount
(11) 06.62.073—Preliminary planning, Classroom/Student and Academic Support Service Building..	307,000
California State University, Hayward:	
(12) 06.64.069—Contra Costa Off-Campus Center, Construction, Initial Infrastructure I.....	3,976,000
(13) 06.64.070—Contra Costa Off-Campus Center, Construction, Initial Facility	11,094,000
(14) 06.64.071—Contra Costa Off-Campus Center, Preliminary plans, Infrastructure II.....	235,000
Humboldt State University:	
(15) 06.67.082—Equipment, Student and Business Service Building.....	257,000
California State University, Long Beach:	
(16) 06.71.082—Working drawings, Library Addition and Remodel...	357,000
(17) 06.71.083—Working drawings, Renovate Engineering Buildings.	304,000
(18) 06.71.084—Working drawings, Auditorium.....	377,000
(19) 06.71 087—Working drawings, Dance Facility.....	423,000
(20) 06.71.089—Equipment, Renovate Chemistry Laboratories.....	566,000
California State University, Northridge:	
(21) 06.82.058—Working drawings, Business Administration/Economics and Education Building.....	819,000
(22) 06.82.059—Working drawings, South Library Conversion.....	218,000
California State Polytechnic University, Pomona:	
(23) 06.98.081—Working drawings, Laboratory Facility	49,000
(24) 06.98.083—Preliminary planning and working drawings, Utilities 1.....	226,000
California State University, Sacramento:	
(25) 06.76.058—Equipment, Library II.....	1,962,000
(26) 06.76.076—Preliminary planning, Classroom/Laboratory Building.....	176,000
California State University, San Bernardino:	

Item	Amount
(27) 06.78.059—Preliminary planning School of Business/Information Sciences Building	379,000
(27.1) 06.78.061—Preliminary planning, Electrical Feeder	11,000
(28) 06.78.060—Preliminary planning, Library Addition/Site Development	348,000
(28.1) 06.78.062—Preliminary planning, Central Plant Expansion	13,000
San Diego State University:	
(29) 06.80.110—Working drawings, Classroom/Student Services Building, Phase II	440,000
(30) 06.80.115—North San Diego Campus, Construction, Infrastructure/Site Development	9,701,000
(31) 06.80.117—North San Diego Campus, working drawings and Construction, Academic Building I	18,107,000
(32) 06.80.118—North San Diego Campus, Construction, Physical Plant/Corporation Yard	1,485,000
San Francisco State University:	
(33) 06.84.063—Preliminary planning, Classroom/Faculty Office Building	411,000
San Jose State University:	
(34) 06.86.083—Preliminary planning, working drawings and construction, Completion of Remodel Old Library (Wahlquist) for Administration	369,000
(35) 06.86.088—Equipment, Renovate Dwight Bentel Hall	330,000
(36) 06.86.094—Preliminary planning, working drawings and construction, Demolish Spartan City	450,000
California State Polytechnic University, San Luis Obispo:	
(37) 06.96.085—Equipment, Remodel Engineering East	1,142,000
(38) 06.96.086—Working drawings, Physical Education Addition	58,000
(39) 06.96.097—Equipment, Student Services Building	172,000

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(40) 06.96.098—Equipment, Remodel and Addition Business Administration and Education	2,420,000
(41) 06.96.099—Equipment, Faculty Offices I	73,000
(42) 06.96.101—Preliminary planning, Dairy Science Building II	158,000

Provisions:

1. Funds appropriated in Schedule (1) for statewide preliminary planning shall be available only for those major capital outlay projects for which working drawing funds or working drawing and construction funds are expected to be included in the fiscal year 1990–91 Governor's Budget and for which preliminary plans and cost estimates can be developed prior to legislative hearings for the fiscal year 1990–91 Budget Bill, except that a maximum of $200,000 shall be available for expenditure on July 1, 1989, for the utility and site development for major capital outlay projects and for development of cost/benefit analyses of planning alternatives and detail project programs for proposed fiscal year 1990–91 and fiscal year 1991–92 capital outlay projects. If, on or before January 15, 1990, the $200,000 intended in Schedule (1) for preliminary planning has not been allocated by the Department of Finance because the anticipated related projects have not been included in the fiscal year 1990–91 Governor's Budget, then any remaining balance of the $200,000 in preliminary planning funds may be expended for cost/benefit analyses of planning alternatives or detailed project programs for proposed fiscal year 1990–91 and fiscal year 1991–92 capital outlay projects, or both.
2. Funds appropriated in Schedule (29) for the San Diego Classroom/Student Services, Phase II shall not be allocated by the Department of Finance until the California State University Trustees have approved an amendment to the San Diego State University's nonstate-funded capital outlay program to provide nonstate funds to design, construct, and equip a 9,000 assignable square foot (12,800 gross square foot) addition to Nastair and Storm Halls which will provide space for the academic skills center, 240

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laboratory student stations (125 FTE), and 20 single-station faculty offices. In addition, construction for the nonstate project shall commence prior to allocation of state funds for the state-funded student services, phase II project.

6610-490—Reappropriation, California State University. Notwithstanding any other provision of law, an amount not in excess of the balance, as reported by the California State University as of June 30, 1989, of the appropriation provided in the following citation, is hereby reappropriated for replacement of instructional equipment, deferred maintenance and special repair projects, the California Academic Partnership Program (CAPP), and, to the extent that lottery funds cannot be used, for the San Marcos Campus. The funding for the San Marcos Campus is to be used in conjunction with the California State University Lottery Education Funds, to the extent that use is consistent with Sections 8880.1 and 8880.5 of the Government Code established by the California State Lottery Act of 1984. Funding shall be available for encumbrance and expenditure until June 30, 1991:

001—General Fund

(1) Item 6610-001-001, Budget Act of 1988

Provisions:

1. The California State University shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance, on June 30, 1989, of Item 6610-001-001 of the Budget Act of 1988, by September 30, 1989, and the expenditures made pursuant to this item by September 30, 1990, and September 30, 1991.

6610-491—Reappropriation, California State University. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations.

660—Public Buildings Construction Fund:

Item 6610-301-660, Budget Act of 1987:

(2) 06.82.052—Northridge, Library II, construction

(3) 06.76.058—Sacramento, Library II, Working drawings and construction

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782—Higher Education Capital Outlay Bond Fund:	
Item 6610-301-782, Budget Act of 1986:	
(10) 06.62.066—Fullerton, Engineering Building Addition, construction	
(13) 06.71.089—Long Beach, Renovate Chemistry Laboratories, construction	
(14) 06.73.080—Los Angeles, Remodel Fine Arts Building, construction	
(20) 06.80.102—San Diego, Classroom/Faculty Student Services Building, Phase I, construction	
(21) 06.80.105—San Diego, Life Science Building Rehabilitation, construction	
(23) 06.80.136—San Diego, Elevator for Physically Handicapped, construction	
(25) 06.82.057—Northridge, Science Addition and Remodel, construction	
(33) 06.98.089—Pomona, Library Addition construction	
(34) 06.98.090—Pomona, Music Office Building Addition, construction	
782—Higher Education Capital Outlay Bond Fund:	
Item 6610-301-782, Budget Act of 1987:	
(3) 06.48.322—North San Diego and Ventura Off-Campus centers Land acquisition	
(8) 06.48.318—Minor projects, energy conservation retrofits, preliminary planning, working drawings, construction and equipment	
(10) 06.52.089—Chico, Renovate Ayres Hall, working drawings and construction	
(14) 06.54.001—Dominguez Hills, Storm Drainage, construction	
(20) 06.67.082—Humboldt, Student and Business Services Building, working drawings and construction	

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(23) 06.67.085—Humboldt, Engineering/Biological Science, Preliminary plans, working drawings and construction	
(25) 06.71.089—Long Beach, Renovate Chemistry Laboratories, Phase II, working drawings and construction	
(28) 06.73.077—Los Angeles, Arts Complex, working drawings	
(32) 06.80.108—San Diego, Women's gymnasium Rehabilitation, construction	
(37) 06.84.059—San Francisco, Faculty Office Addition to Science Building, equipment	
(38) 06.86.078—San Jose, Renovate old Science Building, construction	
(41) 06.96.085—San Luis Obispo, Remodel Engineering East, construction	
785—Higher Education Capital Outlay Bond Fund of 1988:	
Item 6610-301-785, Budget Act of 1988:	
(3) 06.48 315—Statewide Minor Capital Outlay, preliminary planning, working drawings, construction and equipment	
(8) 06.52.093—Chico, Plumas Hall Addition, construction	
(9) 06.52.094—Chico, O'Connell Technology Center, working drawings	
(10) 06.54.057—Dominguez Hills, Educational Resources Center for Library Remodeling, preliminary plans and working drawings	
(12) 06.56.077—Fresno, Engineering East Addition, working drawings	
(13) 06.56.078—Fresno, Remodel Speech Arts Building, working drawings and construction	
(14) 06.56.079—Fresno, University Farm Laboratory, working drawings	

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(16) 06.64.070—Hayward, Contra Costa Off-Campus Center Initial Facility, preliminary planning and working drawings
(24) 06.73.077—Los Angeles, Arts Complex, construction
(29) 06.82.061—Northridge, Ventura Site Master Plan
(32) 06.98.091—Pomona, Classroom/Laboratories/Administration Building, Phase I, working drawings
(38) 06.80.109—San Diego, Chemistry/Geology Building Addition, Chilled Water Loop, working drawings
(46) 06.84.085—San Francisco, Remodel Arts and Industry and Addition, working drawings
(48) 06.86.088—San Jose, Renovate Dwight Bental Hall, construction
(54) 06.96.099—San Luis Obispo, Faculty Offices, working drawings and construction

6610-492—Reappropriation, California State University. Notwithstanding any other provision of law, the balance of Item 6610-001-785 of the Budget Act of 1988 is hereby reappropriated for the purposes provided for in the appropriation and shall be available for expenditure until June 30, 1991.

6860-001-001—For support of California Maritime Academy 6,642,000

Schedule:

(a) 10-Instruction	4,638,000
(b) 20-Academic Support	1,489,000
(c) 30-Student Services	3,108,000
(d) 40.01-Administration	2,172,000
(e) 40.02-Distributed Administration	−2,172,000
(f) Reimbursements	−2,162,000
(h) Amount payable from the Federal Trust Fund (Item 6860-001-890)	−401,000
(i) Amount payable from California Maritime Academy Trust Fund, pursuant to Education Code Section 70038	−30,000

Provisions:

1. Of the funds appropriated by this item, $422,000

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	shall be available for fuel oil purchases for the operation of the training ship, The Golden Bear. To the extent that federal funds become available for this purpose, the Director of Finance shall unallot an amount of up to $422,000. The Director of Finance shall report these changes to the Joint Legislative Budget Committee.	
6860-001-814—For support, California Maritime Academy, for transfer to California Maritime Academy Trust Fund, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund		(57,000)
Provisions:		
1. All funds received pursuant to Proposition 37 that are allocable to the California Maritime Academy pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.		
6860-001-890—For support of California Maritime Academy, for payment to Item 6860-001-001, payable from the Federal Trust Fund		401,000
Provisions:		
1. The Department of Finance shall increase the funds appropriated in this item by the amount of federal funds received in 1989–90 for the purchase of fuel oil.		
6860-301-785—For capital outlay, California Maritime Academy, payable from the 1988 Higher Education Capital Outlay Bond Fund		145,000
Schedule:		
(1) 70.68.020—Preliminary planning, working drawings, construction and equipment, computer classroom addition	145,000	
6860-490—Reappropriation, California Maritime Academy. Notwithstanding any other provision of law, the balance, as of June 30, 1989, of the appropriation provided in the following citation is reappropriated for replacement of instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance and expenditure until June 30, 1990.		
001—General Fund		

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(1) Item 6860-001-001, Budget Act of 1988
Provisions:
1. The California Maritime Academy shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1989, of Item 6860-001-001 of the Budget Act of 1988, by September 30, 1989, and the expenditures made pursuant to this item by September 30, 1990.

6860-491—Reappropriation, California Maritime Academy. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations.

785—Higher Education Capital Outlay Bond Fund of 1988:
Item 6860-301-785, Budget Act of 1988:
(1) 70.68.005—Minor Projects

6870-001-001—For support of Board of Governors of the California Community Colleges 14,968,000
Schedule·
(a) 10-Apportionments 2,240,391
(b) 20-Special Services and Operations 14,965,609
(c) 30.01-Administration 6,068,000
(d) 30.02-Administration—Distributed ..... −6,068,000
(e) Reimbursements... ..... −2,238,000
Provisions:
1. Of the amount appropriated in this item, $155,000 is for support of intersegmental projects under the auspices of the California Education Round Table.
2. Of the amount appropriated in this item, $66,000 is provided for State Operations in support of Instructional Improvement programs in lieu of any amount which otherwise would be appropriated for that purpose pursuant to Education Code Sections 84383 and 84384.
3. Of the amount appropriated in this item, $25,000 is provided for State Operations in support of the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982.
4. Of the amount appropriated in this item, $100,000 is provided to the Chancellor's Office

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to contract for a study of the Education Employee Relations Act (EERA) as required in Chapter 973, Statutes of 1988 (AB 1725).		
6870-001-165—For support of Board of Governors of the California Community Colleges, Program 20.20.010—Special Services and Operations—Faculty and Administrative Credentials, payable from the Community College Credentials Fund		764,000
Provisions:		
1. Subject to the conditions of Chapter 2.5 (commencing with Section 87350) of Part 51 of the Education Code, and based on increases in credential applications, Item 6870-001-165 may be increased subject to the approval of the Department of Finance and notification of the Joint Legislative Budget Committee in accordance with the provisions of Section 28.00 of this act.		
6870-101-001—For local assistance, Board of Governors of the California Community Colleges		1,548,715,000
Schedule:		
(a) 10-Apportionments	1,393,933,000	
(b) 20.10.010-Extended Opportunity Programs and Services and Special Services	46,493,000	
(c) 20.10.020-Disabled Students	30,955,000	
(d) 20.10.050-Transfer Centers	1,991,000	
(e) 20.10.060-Foster Parent Training	900,000	
(f) 20.10.070-Matriculation	35,870,000	
(g) 20.20 020-Partial Financing of the Academic Senate for the Community Colleges	110,000	
(h) 20.20.040-Faculty and Staff Diversity	1,000,000	
(i) 20.30.010-Faculty and Staff Development	4,900,000	
(j) 20.30.020-Instructional Improvement, for Transfer to the Community College Fund for Instructional Improvement	736,000	
(k) 20.30.030-Vocational Education Special Projects	5,318,000	
(*l*) 20.30.035-Vocational education allocations	31,883,000	
(m) 20.30.037-Transfer Education and Articulation	1,485,000	
(n) 20.40.020-Deferred maintenance	15,000,000	
(o) 20.40.040-Hazardous Substances	8,000,000	

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(p) 20.50.010-Management Information Systems 6,400,000
(q) Reimbursements ..... -36,259,000

Provisions:

1. The funds appropriated in Schedule (a) are for transfer by the State Controller during the 1989–90 fiscal year to Section B of the State School Fund, in lieu of the amount which otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1989–90 fiscal year pursuant to Section 14020 of the Education Code, as needed, in addition to the sums accruing to Section B of the State School Fund from other sources for the purposes specified in this item for apportionment pursuant to Chapter 5 of Part 50 of the Education Code.
2. (a) Of the amount appropriated in Schedule (a), up to $6,775,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new or expansion of apprenticeship training program(s) unless that program(s) has been approved by the chancellor.

   (b) The chancellor shall report to the Department of Finance and the Legislature no later than October 1, 1989, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprenticeship program during the 1988–89 fiscal year, with information to be provided by community college district, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs, funded for community college districts. In addition, the report shall identify the hours of related and supplemental instruction proposed for the 1989–90 fiscal year by community college district, program sponsor,

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and trade. As a condition of receiving funds for the apprenticeship program, districts shall report to the chancellor's office the information necessary for the completion of this report.

(c) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of three dollars and seventy-six cents ($3.76) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.

(d) For any apprentice program offered pursuant to Section 8152 of the Education Code that in 1989-90 is transferred from a community college district to a K–12 school district, the Controller, upon certification by the chancellor and approval of the Director of Finance, shall transfer, prior to certification of the first or second principal apportionments, as appropriate, from Schedule (a) of this item to Schedule (e) of Item 6110-101-001 an amount equal to the number of hours for which the apprentice program received funding in 1988–89 times $3.76. Any transfers authorized pursuant to this provision shall be subject to Section 28.00 of this act.

3. Of the amount in Schedule (a), up to $3,939,000 may be allocated by the chancellor for the funding of employer-based job training programs of the type funded pursuant to Provision 12 of Item 6870-101-001 of the Budget Act of 1982. These programs shall be consistent with the intent of that provision and with the criteria adopted by the Board of Governors for allocating funds under that provision.

4. Notwithstanding any other provision of law, any funds allocated pursuant to Section 84707 of the Education Code or Section 22 of this act shall not be considered as part of the base revenues for community college districts in computing the 1990–91 apportionments, as prescribed in Sec-

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tion 84701 of the Education Code. The additional ADA generated above each district's funded ADA shall not be added to the subsequent year's ADA base, and the additional revenues and ADA shall not be included in calculations for determining the average revenues per ADA.

5. (a) The funds appropriated in Schedule (b) are for transfer by the State Controller during the 1989–90 fiscal year to Section B of the State School Fund.

(b) Of the amount in Schedule (b), $31,365,000 is for the Extended Opportunity Programs and Services in accordance with the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code; $13,420,000 is for the Board Financial Aid Program; $1,479,000 is for the cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982; and $229,000 is for the Puente Project if these funds are matched by $100,000 of private funds and the participating community colleges and University of California campuses maintain their 1988–89 support level for the Puente Project. The Board of Governors shall allocate funds on a priority basis and to local programs on the basis of need for student services and financial aid.

6. (a) The funds appropriated in Schedule (c) are for transfer by the State Controller during the 1989–90 fiscal year to Section B of the State School Fund, in lieu of the amount which otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1989–90 fiscal year pursuant to Section 14020 of the Education Code, for funding the excess direct instructional cost of providing special facilities, special education materials, educational assistance, mobility assistance, transportation, program accountability, program developmental services for handicapped students enrolled at community colleges, and for state hospital

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programs.

(b) Of the amount appropriated in Schedule (c), $645,000 is for growth in the number of students served by this program, and is not to be used for increased costs or levels of services provided to existing students.

7. The funds appropriated in Schedule (d) are to fund up to 20 transfer centers on a pilot project basis in accordance with proposals submitted by districts to the chancellor's office.
8. (a) The amount in Schedule (e) is provided for local assistance in support of the Foster Parent Training program in accordance with the provisions of Chapter 1597, Statutes of 1984.

(b) Notwithstanding the provisions of subdivision (c) of Section 903.7 of the Welfare and Institutions Code, if sufficient moneys are available in the Foster Children and Parent Training Fund, up to $1,000,000 shall be transferred from the Foster Children and Parent Training Fund to the General Fund in reimbursement for expenditures made for the Foster Parent Training Program from appropriations of $900,000 of Schedule (e) of Item 6870-101-001 and $100,000 contained in Item 6870-001-001 of this act.

9. The funds appropriated in Schedule (j) shall be expended only for grants.
10. Of the amount appropriated in Schedule (k), $1,050,000 shall be used for continued funding of the Counselor and Instructor In-Service Training Program initiated in Chapter 1662, Statutes of 1984.
11. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (n) shall be available for expenditure until June 30, 1991.
12. Notwithstanding any other provision of law, an amount equal to 10 percent of the statewide total adjustment computed for credit ADA pursuant to Section 84704 of the Education Code for Equalization II shall be allocated by the chancellor, utilizing the same methodology employed in the allocation of 1986–87 equalization funds that was approved by the Department of Finance and submitted to the Legislature.

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13. Upon certification of the chancellor, the Controller shall transfer up to $40,000 from the amount appropriated in Schedule (a) of this item to Schedule (g) for increased funding of the Academic Senate. Funds transferred pursuant to this provision shall not be considered in the calculation of any apportionment deficit.
14. The funds appropriated in Schedule (f) are for the purpose of student matriculation, as specified in Chapter 1467, Statutes of 1986.
15. Notwithstanding any other provision of law, $5,000,000 of the funds appropriated in Schedule (a) shall be for allocation to community college districts in the 1989–90 fiscal year for the purposes of funding, beyond the statutory ADA growth limit, needs in basic skills, including English-as-a-second-language course. The chancellor shall develop criteria for allocating funds for instruction in basic skills.
16. Pursuant to Section 84661 of the Education Code, which requires districts to match state funds provided for deferred maintenance and also authorizes the Board of Governors to waive this matching requirement, the chancellor shall report to the Joint Legislative Budget Committee by March 1, 1990, on any waivers granted.
17. The amount appropriated in Schedule (j) is in lieu of any amount which otherwise would be appropriated or reallocated pursuant to Education Code Section 84384.
18. Upon the approval of the Department of Finance, an amount up to $274,000 may be transferred from Schedule (f) to Item 6870-001-001, Schedule (b), for additional support to the Chancellor of the California Community Colleges in managing the implementation of matriculation.
19. Of the amount appropriated in Schedule (o), $3,000,000 shall be available for reimbursement to community colleges for development of business plans for emergency response to a release of hazardous materials and preparation of hazardous chemical inventories.
20. Of the amount appropriated in category (a) for apportionments, $70,000,000 is provided to

Item		Amount
	fund Phase I of "Transitional Program Improvement" pursuant to Chapter 973 of the Statutes of 1988.	
6870-101-785—For local assistance, Board of Governors of the California Community Colleges, payable from the Higher Education Capital Outlay Bond Fund of 1988		28,000,000
	Schedule:	
	(a) 20.40.030-Instructional Equipment ... 23,000,000	
	(b) 20.40.040-Hazardous Substances ... 5,000,000	
	Provisions:	
	1. The amount appropriated in Schedule (a) is available on a one-time basis for the purpose of providing community college districts with funds to replace instructional equipment and for purchase of library materials. The chancellor shall allocate these funds to the districts such that for every $3.00 (three dollars) of funds allocated from this item, the districts shall provide $1.00 (one dollar) of matching funds. Furthermore, these funds shall not be used for personal services costs or operating expenses.	
	2. The amount appropriated in Schedule (b) is for the purpose of abating asbestos hazards which have been categorized as "severe".	
	3. Air samples shall be obtained of all spaces that are scheduled to undergo asbestos removal. In the contract provisions for asbestos removal, contractors shall be required to show that, upon completion of the project, the airborne asbestos level is at or below either the limits allowed by the governing regulatory agency or the level identified from the air sample taken prior to initiating the project, whichever is lower.	
6870-101-814—For local assistance, Board of Governors of the California Community Colleges, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund		120,428,000
	Provisions:	
	1. All funds received pursuant to Proposition 37 that are allocable to community college districts pursuant to Section 8880.5 of the Government Code and that are in excess of the amount ap-	

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propriated in this item, are hereby appropriated in augmentation of this item.	
6870-101-909—For local assistance, Board of Governors of the California Community Colleges Program 20.30.020—Instructional Improvement and Innovation, payable from the Community College Fund for Instructional Improvement	920,000
Provisions.	
1. Of the amount appropriated by this item, not more than $736,000 shall be allocated for grants and not more than $184,000 shall be allocated for loans.	
6870-103-001—For local assistance, Board of Governors of the California Community Colleges , for transfer to and in augmentation of Item 6870-101-001, for lease-purchase payments to be allocated upon order of the Department of Finance no sooner than necessary to allow selected community colleges to make the required lease-purchase payments	1,110,000
6870-198-001—For local assistance, Board of Governors of the California Community Colleges, Program 40.10.010, Reserve for Contingencies and Emergencies	0
Provisions:	
1. This item is subject to the provisions of Control Section 12.31.	
6870-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from the proceeds from sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of California Community Colleges instructional facilities pursuant to Government Code Section 15820.50 et seq.	69,980,000
Schedule:	
Allan Hancock Jt. Community College District	
Allan Hancock College	
(1) 40.02.106—Construct secondary effects of renovation	1,627,000
Contra Costa Community College District	
Los Medanos College	
(2) 40.13.207—Construct and equip music addition	2,733,000
Foothill-DeAnza Community College District	
DeAnza College	
(3) 40.15.101—Construct computer/electronics/telecom building	10,846,000
Glendale Community College District	

Item	Amount
Glendale College	
(4) 40.18.108—Construct remodel to create classroom	1,985,000
Kern Community College District	
Cerro Coso College	
(5) 40.22.208—Construct multi-use physical education facility	5,011,000
Porterville College	
(6) 40 22.302—Working drawings and construct instructional building	4,653,000
Los Angeles Community College District	
East Los Angeles College	
(7) 40.26.101—Construct vocational building	2,774,000
Los Angeles Southwest College	
(8) 40.26.601—Construct technical education center	4,895,000
Marin Community College District	
Indian Valley College	
(9) 40.28.101—Working drawings and construct retrofit for welding/machine shop	545,000
Mendocino-Lake Community College District	
Mendocino College	
(10) 40.29.111—Construct outdoor physical education facility	2,423,000
Mt. San Jacinto Community College District	
West Center	
(11) 40.34.203—Construct permanent facilities I	5,014,000
Napa Valley Community College District	
Napa Valley College	
(12) 40.35.101—Construct and equip child care facility	1,717,000
Riverside Community College District	
Moreno Valley Center	
(13) 40.44.203—Construct permanent building, Phase I	7,786,000
Norco Center	
(14) 40.44.303—Construct permanent building, Phase I	7,597,000
Saddleback Community College District	
Irvine Valley College	
(15) 40.45.108—Construct outdoor physical education facility	2,015,000
(16) 40.45.113—Construct indoor P.E. gymnasium	2,466,000

Item		Amount
South County Community College District		
Chabot College, Valley Campus		
(17) 40.62.201—Construct and equip learning resources center/ offices	5,893,000	
6870-301-785—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to community college districts, for expenditure by these districts, as set forth in the schedule below, payable from the 1988 Higher Education Capital Outlay Bond Fund		39,873,000
Schedule:		
Allan Hancock Joint Community College District		
Allan Hancock College		
(1) 40.02.108-Equip performing arts addition	84,000	
Antelope Valley Community College District		
Antelope Valley College		
(2) 40.03.101—Working drawings and construct remodel to create classroom, offices and relocate nursing	850,000	
Butte Community College District		
Butte College		
(3) 40.05-101-Equip maintenance warehouse	75,000	
Cerritos Community College District		
Cerritos College		
(4) 40.07.103-Working drawing, construct and equip remodel for efficiency	770,000	
Citrus Community College District		
Citrus College		
(5) 40.09.101-Working drawings, construct and equip physical science code corrections	625,000	
(6) 40.09.102-Working drawings, construct and equip diesel tech addition	817,000	
(7) 40.09.103-Working drawings, recording arts addition	37,000	
(8) 40.09.104-Working drawings, construct and equip relocate disabled programs	604,000	
(9) 40.09.105-Working drawings, disabled aquatic center	83,000	

Item	Amount
(10) 40.09.106-Working drawings, infant center	72,000
Coachella Valley Community College District	
College of the Desert	
(11) 40.10.103-Construct and equip child care development facility..	609,000
Compton Community College District	
Compton College	
(12) 40.12.101-Equip remodel electronics laboratory	159,000
Contra Costa Community College District	
Diablo Valley College	
(13) 40.13.206-Working drawings, skills center addition	142,000
(14) 40.13.208-Working drawings, and construct library lighting	275,000
El Camino Community College District	
El Camino College	
(15) 40.14.101-Construct architectural barrier removal	2,761,000
(16) 40.14.103-Working drawings, library addition	457,000
(17) 40.14.104-Working drawings, child care development facility...	54,000
Glendale Community College District	
Glendale College	
(18) 40.18.105-Equip renovation of classroom/laboratories/administration building	239,000
(19) 40.18.110-Working drawings, building T remodel/addition	166,000
(20) 40.18.111-Working drawings, training center, Phase I	151,000
Grossmont-Cuyamaca Community College District	
Cuyamaca College	
(21) 40.19.106-Equip outdoor physical education facility	52,000
(22) 40.19.109-Working drawings, indoor physical education gymnasium	239,000
Imperial Community College District	
Imperial Valley College	
(23) 40.21.103-Working drawings, child care development facility...	68,000
Kern Community College District	
Cerro Coso College	

Item	Amount
(24) 40.22.210-Working drawings, construct and equip nursing lab renovation	258,000
(25) 40.22.211-Working drawings, outdoor physical education facilities.	218,000
Long Beach Community College District	
Long Beach City College	
(26) 40.24.104-Pacific Coast Campus, Equip Educational Support Services Center	194,000
(27) 40.24.105-Working drawings, construct and equip remodel music building	716,000
Los Angeles Community College District	
Los Angeles Southwest College	
(28) 40.26.602-Working drawings, indoor P.E. shower/locker rooms/gym	419,000
West Los Angeles College	
(29) 40.26.901-Working drawings, gymnasium	179.000
Los Rios Community College District	
Cosumnes River College	
(30) 40.27.203-Working drawings, construct and equip remodel laboratories	456,000
Sacramento City College	
(31) 40.27.303-Equip performing arts addition and reconstruction	942,000
(32) 40.27.304-Working drawings, child care development facility	133;000
Placerville Center	
(33) 40.27.401-Construct off-site development	341,000
Marin Community College District	
College of Marin	
(34) 40.28.201-Working drawings and construct retrofit for landscape management	275,000
(35) 40.28.202-Working drawings and construct remodel for student services	1,135,000
(36) 40.28.203-Working drawings and construct retrofit for disabled program	154,000
Mendocino-Lake Community College District	
Mendocino College	

Item		Amount
(37)	40.29.112-Equip indoor physical education facility, Phase I	207,000
(38)	40.29.114-Equip gymnasium	99,000
	Mira Costa Community College District	
	Mira Costa College	
(39)	40.31.101-Working drawings, construct and equip building L and E conversion	1,346,000
	Mt. San Antonio Community College District	
	Mt. San Antonio College	
(41)	40.33.104-Working drawings, infant toddler addition	31,000
	Napa Valley Community College District	
	Upper Valley Center	
(42)	40.35.201-Land acquisition	370,000
(43)	40.35.202-Working drawings, on-site development and permanent building	194,000
	Pasadena Area Community College District	
	Pasadena City College	
(44)	40.39.101-Working drawings and construct T building code corrections	756,000
(45)	40.39.102-Working drawings and construct central plant seismic safety	271,000
(46)	40.39.103-Acquisition and working drawings, library building	2,732,000
(47)	40.39.104-Working drawings and construct T building renovation.	426,000
	Peralta Community College District	
	Merritt College	
(48)	40.40.404-Construct hot water line replacement	1,029,000
	Rancho Santiago Community College District	
	Rancho Santiago College	
	Orange Campus	
(49)	40.41.108-Equip permanent buildings, Increment II	552,000
(50)	40.41.109-Working drawings, centennial education center addition	78,000
	Redwoods Community College District	
	College of the Redwoods	
(51)	40.42.101-Equip library addition.	545,000
	Riverside Community College District	
	Moreno Valley	

Item		Amount
	(52) 40.44.202-Construct on-site development	3,339,000
	Saddleback Community College District	
	Irvine Valley College	
	(53) 40.45.113-Working drawings, indoor P.E. gymnasium	235,000
	(54) 40.45.114-Working drawings, child care development facility	123,000
	(55) 40.45.115-Equip student services center	141,000
	(56) 40 45.118-Working drawings, construct and equip library secondary effects	156,000
	Saddleback College	
	(57) 40.45.205-Equip vocational technology building	566,000
	(58) 40.45.206-Equip student services center	244,000
	(59) 40.45.208-Working drawings, child care development facility	130,000
	San Diego Community College District	
	San Diego Mesa College	
	(60) 40 47.202-Working drawings and construct animal health facility	954,000
	San Diego Miramar College	
	(61) 40.47.302-Working drawings, child care development facility	48,000
	(62) 40.47.303-Construct central utility plant	1,902,000
	San Francisco Community College District	
	San Francisco City College	
	(63) 40.48.103-Working drawings, library building	851,000
	San Mateo County Community College District	
	College of San Mateo	
	Skyline College	
	(65) 40.52.301-Equip automotive building addition	192,000
	(66) 40 52.302-Working drawings and construct removal of architectural barriers to handicapped	132,000
	Santa Barbara Community College District	
	Santa Barbara City College	
	(67) 40 53.105-Equip student services center	177,000
	Santa Monica Community College District	

Item	Amount
Santa Monica College	
(68) 40.55.101-Working drawings, technology building addition.....	388,000
Sonoma County Junior College District	
Petaluma Center	
(69) 40.61.201-Working drawings and construct site development.....	3,484,000
(70) 40.61.202-Working drawings, permanent facilities.....	530,000
South County Community College District	
Chabot College	
(71) 40.62.202-Working drawings, construct and equip remodel dental clinic.....	542,000
Ventura County Community College District	
Moorpark College	
(72) 40.65.101-Equip occupational graphics arts building.....	753,000
Oxnard College	
(73) 40.65.203-Working drawings, gymnasium...	435,000
(74) 40.65.204-Working drawings, child care development facility .	60,000
Ventura College	
(75) 40.65.301-Working drawings, child care development facility .	60,000
Victor Valley Community College District	
Victor Valley College	
(76) 40.66.102-Working drawings, gymnasium.....	269,000
(77) 40.66.103-Working drawings, learning resource addition	84,000
West Valley-Mission Community College District	
Mission College	
(78) 40.69.201-Working drawings, indoor physical education gymnasium.....	185,000
Yosemite Community College District	
Modesto Junior College	
(79) 40.70.204-Working drawings, fire training center..... .	186,000
Yuba Community College District	
Yuba College	
(80) 40.71.101-Working drawings and construct architectural barrier removal.....	262,000

Item		Amount
6870-311-660—For Capital Outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from the proceeds from sale of bonds, negotiable notes, or negotiable bond anticipation notes for the construction of California Community Colleges instructional facilities pursuant to Section 15820.50 et seq. of the Government Code		4,186,000
Schedule:		
Allan Hancock Joint Community College District		
Allan Hancock College		
(1) 40.02.109-Site Development, Phase I-Working Drawings and Construction	361,000	
Cabrillo Community College District		
Cabrillo College		
(2) 40.06.101-Expand Food Technology Center-Working Drawings, Construction, and Equipment	788,000	
Mendocino-Lake Community College District		
Mendocino College		
(5) 40.29.115-Maintenance Warehouse-Working Drawings and Construction	626,000	
Saddleback Community College District		
Irvine Valley College		
(8) 40.45.116-Cafeteria-Construction	1,257,000	
Saddleback Community College District		
Saddleback College		
(9) 40.45.207-Cafeteria-Construction	1,154,000	
6870-311-785—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors of the California Community Colleges to community college districts, for expenditure by these districts, as set forth in the schedule below, payable from the 1988 Higher Education Capital Outlay Bond Fund		1,135,000
Schedule:		
Coast Community College District		
Orange Coast College		
(1) 40.11.305 Centralized Maintenance Facility-Working drawings	86,000	
Fremont-Newark Community College District		
Ohlone College		
(2) 40.16.103 Performing Arts Facility-Working drawings	619,000	

Item	Amount
North Orange County Community College District Cypress College (3) 40.36.101-Maintenance Warehouse-Working drawings	90,000
North Orange County Community College District Fullerton College (4) 40.36.201-Maintenance Warehouse-Working drawings	90,000
Statewide (5) 40.72.020-Preliminary Plan Development	250,000

6870-490—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, up to $1,000,000 of the balance on June 30, 1989, of Schedule (a) of Item 6870-101-001 of the Budget Act of 1988 is reappropriated for the purpose of providing community college districts with funds to replace instructional equipment and purchase of library materials, and shall be available for expenditure until June 30, 1990. The amount reappropriated shall be determined as of March 1, 1990, after the prior year corrections have been made pursuant to Section 84330 of the Education Code. The chancellor shall allocate these funds to the districts such that for every $3.00 (three dollars) of funds allocated from this item, the districts shall provide $1 00 (one dollar) of matching funds.

6870-492—Reappropriation—California Community Colleges. The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations.

782—Higher Education Capital Outlay Bond Fund Item 6870-301-782, Budget Act of 1987, as reappropriated by Item 6870-492, Budget Act of 1988.

Peralta Community College District
Merritt College
(24) 40.40.403—Working drawings, construct conversion of existing space.

San Bernardino Community College District
San Bernardino Valley College
(30) 40.46.201—Working drawings, construct and equip removal of architectural barriers to handicapped persons.

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Yosemite Community College District
Columbia College
(35) 40.70.101—Construct multipurpose instructional facilities, gymnasium.
785—Higher Education Capital Outlay Bond Fund of 1988
Item 6870-301-785, Budget Act of 1988:
Allan Hancock Community College District
Allan Hancock College:
(4) 40.02.108—Working drawings, construct performing arts addition.
Butte Community College District
Butte College:
(5) 40.05.101—Working drawings, construct maintenance warehouse.
Coachella Valley Community College District
College of the Desert:
(7) 40.10.101—Working drawings, construct removal of architectural barriers to handicapped.
(8) 40.10.102—Working drawings, construct campus water system.
Compton Community College District
Compton College:
(11) 40.12.101—Working drawings, construct remodel electronics laboratory.
Foothill-DeAnza Community College District
Foothill College:
(15) 40.15.201—Working drawings, construct removal of architectural barriers to handicapped.
Los Rios Community College District
Sacramento City College:
(26) 40.27.303—Construct performing arts complex.
Mt. San Antonio Community College District
Mt. San Antonio College:
(29) 40.33.101—Working drawings, construct emergency access.
Peralta Community College District
Laney College:
(31) 40.40.301—Working drawings, construct removal of architectural barriers.
Rancho Santiago Community College District
Orange Campus:
(34) 40.41.108—Working drawings, construct permanent buildings, increment II.

Item	Amount
Redwoods Community College District	
College of the Redwoods:	
(35) 40.42.101—Working drawings, construct library addition.	
Saddleback Community College District	
Irvine Valley College:	
(39) 40.45.109—Working drawings, construct road improvements.	
San Francisco Community College District	
San Francisco City College:	
(42) 40.48.102—Working drawings, construct central shops and warehouse.	
San Mateo County Community College District	
Canada College:	
(46) 40.52.101—Working drawings, construct removal of architectural barriers to handicapped.	
College of San Mateo:	
(47) 40.52.201—Working drawings, construct removal of architectural barriers to handicapped.	
Skyline College:	
(48) 40.52.301—Working drawings, construct automotive building addition.	
Santa Barbara Community College District	
Wake Center:	
(49) 40.53.107—Working drawings, construct removal of architectural barriers to handicapped.	
Schott Center:	
(50) 40.53.108—Working drawings, construct removal of architectural barriers to handicapped.	
Santa Barbara City College:	
(52) 40.53.105—Construct student service center.	
(53) 40.53.110—Working drawings, construct college secondary effects renovation.	
Shasta-Tehama-Trinity Joint Community College District	
Shasta College:	
(55) 40.57.101—Working drawings for removal of architectural barriers to handicapped.	
Victor Valley Community College District	
Victor Valley College:	
(58) 40.66.101—Working drawings, construct removal of architectural barriers to handicapped.	

Item		Amount
West Hills Community College District		
West Hills College:		
(59) 40.67.101—Equip library and learning resource center.		
West Valley-Mission Community College District		
West Hills College:		
(60) 40.69.101—Working drawings, construct removal of architectural barriers to handicapped.		
Yosemite Community College District		
Columbia College:		
(61) 40.70.101—Construct, equip gymnasium, and performing arts.		
Yuba Community College District		
Woodland Center:		
(62) 40.71.303—Construct, equip permanent building, Phase I		
Riverside Community College District		
Moreno Valley Center:		
(64) 40.44.201—Working drawings, construct offsite development.		
Mt. San Jacinto Community College District		
West Center:		
(68) 40.304.202—Working drawings, construct onsite development.		
Mendocino-Lake Community College District		
Mendocino College:		
(69) 40.29.114—Working drawings, construct indoor gymnasium.		
Glendale Community College District		
Glendale College:		
(71) 40.18.119—Working drawings, construct, equip aviation art building addition.		
San Mateo County Community College District		
Districtwide:		
(73) 40 52.001—Working drawings, construct energy conservation retrofits.		
Saddleback Community College District		
Irvine Valley College:		
(74) 40.45.115—Construct student services center.		
7980-001-001—For support of the Student Aid Commission		6,827,000
Schedule:		
(a) 15-Financial Aid Grants Program ...	6,875,000	
(b) 50-California Educational Loan Program	18,919,000	

Item		Amount
(c) 80.01-Administration and Support Services	6,815,000	
(d) 80.02-Distributed Administration and Support Services	−6,815,000	
(e) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951)	−18,919,000	
(f) Reimbursements	−48,000	
7980-001-951—For support of the Student Aid Commission, for payment to Item 7980-001-001, payable from the State Guaranteed Loan Reserve Fund...		18,919,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize deficiencies pursuant to Section 11006 of the Government Code from funds appropriated from the State Guaranteed Loan Reserve Fund pursuant to Section 69766 of the Education Code.
2. Of the funds appropriated by this item, an amount not to exceed $100,000 shall be available to advance to the State Guaranteed Student Loan Processing Contractor subject to return in accordance with terms of the service contract. The funds advanced shall be used exclusively for payment to the State Guaranteed Student Loan Processing Contractor for (1) refund of student loan insurance premiums due to lenders on canceled loans, (2) refund of student borrower overpayments, (3) refund of collections made in error, (4) purchase of returned borrower checks.

7980-011-890—To the Student Aid Commission, Program 50, for transfer to the State Guaranteed Loan Reserve Fund, payable from the Federal Trust Fund..... 146,318,000

Provisions:

1. Any federal funds received by the Student Aid Commission in excess of the amount set forth in this item shall be transferred to the State Guaranteed Loan Reserve Fund in a manner prescribed by the Department of Finance.

7980-011-951—To the Student Aid Commission, Program 50, for purchase of defaulted student loans, payable from the State Guaranteed Loan Reserve Fund..... 155,000,000

Provisions:

1. Notwithstanding any other provision of law, the

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Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.

2. No authorization may become effective sooner than 10 days after notification in writing to the Joint Legislative Budget Committee.

7980-021-951—There is hereby appropriated from the State Guaranteed Loan Reserve Fund to the Student Aid Commission for purposes of Chapter 1201, Statutes of 1977 a sum necessary to make payments to the federal Secretary of Education, eligible lenders, collection contractors, and to the State Guaranteed Student Loan Processing Contractor in compliance with the regulations of the Federal Guaranteed Student Loan Program and the California Educational Loan Program which require (1) payment to the federal Secretary of Education for the federal share of (a) collection recoveries and (b) refund of reinsurance payment on loans repurchased by lenders and (c) payment of reinsurance fees; (2) payment to lenders for eligible defaulted loans held by the Student Aid Commission; (3) payment to the State Guaranteed Student Loan Processing Contractor for collection service fees; and (4) payment to contracted collection agencies for services provided.

7980-101-001—For local assistance, Student Aid Commission 153,543,000

Schedule:

(a) 15-Financial Aid Grants Program. 167,557,000

(b) Amount payable from the Federal Trust Fund (Item 7980-101-890) .. —13,231,000

(c) Reimbursements ..... —783,000

Provisions:

1. Funds appropriated in category (a) are for the purposes of all of the following:
   (a) For awards in the Cal Grant Program under the provisions of Article 3 (commencing with Section 69530), of Chapter 2 of Part 42 of the Education Code.
   (b) For grant awards under the provisions of Article 2 (commencing with Section 52150) of Chapter 7 of Part 28 of the Education Code.
   (c) For graduate fellowship awards under the provisions of Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of the

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Education Code.

(d) For grants under the provisions of Article 16 (commencing with Section 69900) of Chapter 2 of Part 42 of the Education Code, and for grants under the provisions of Section 4709 of the Labor Code.

(e) For CAL-SOAP contract agreements under the provisions of Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code.

(f) For the purchase of Loan Assumptions under the provisions of Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code.

(g) For grants under the provisions of Article 18, California State Work-Study Program (commencing with Section 69950) of Chapter 2 of Part 42 of the Education Code.

(h) For new and renewal Cal Grant awards in amounts not to exceed award levels comparable to those in effect for the 1988–89 award year except as otherwise provided by law.

2. Notwithstanding any other provision of law, of the 17,400 new grants funded in Schedule (a) for Cal Grant A for the 1989–90 fiscal year, 500 grants shall be awarded to community college students who transfer to a four-year college or university.

3. Notwithstanding any other provisions of law, of the 12,250 new grants funded in Schedule (a) for Cal Grant B for the 1989–90 fiscal year, 250 grants shall be awarded to community college students who transfer to a four-year college or university.

4. Upon approval of the Director of Finance, the Student Aid Commission may transfer funds as necessary within category (a) to accommodate program element changes, not sooner than 30 days after written notification by the Director of Finance of the necessity therefor to the Joint Legislative Budget Committee, or not sooner than whatever lesser time the committee, or its designee, may in each instance determine.

5. If federal trust funds for the 1989–90 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be

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reduced on a dollar-per-dollar basis.

6. Eligibility for money appropriated by this item is limited to students who demonstrate financial need according to nationally accepted needs analysis methodologies, who meet other Student Aid Commission eligibility criteria, and whose income or family's gross income does not exceed $55,000 for the purposes of determining recipients for the 1989–90 award year.
7. The Student Aid Commission shall grant only renewal awards under the Bilingual Teacher program element in 1989–90. No new lower division awards under this program shall be offered.

7980-101-890—For local assistance, Student Aid Commission, for payment to Item 7980-101-001, payable from the Federal Trust Fund 13,231,000

8100-001-001—For support of Office of Criminal Justice Planning 4,848,000

Schedule:

(a)	20.01-Administration	2,936,000
(b)	20.02-Distributed Administration .	−2,936,000
(c)	50-Local Project Awards	9,089,000
(d)	Reimbursements.....	−1,024,000
(e)	Amount payable from Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-241)	−73,000
(f)	Amount payable from Victim-/Witness Assistance Fund (Item 8100-001-425)	−1,885,000
(g)	Amount payable from the Federal Trust Fund (Item 8100-001-890)..	−1,259,000

Provisions:

1. Of this item, $600,000 in reimbursements, which are reflected in Program 50, shall be allocated for administration of the Suppression of Drug Abuse in Schools Program or a community-based drug education program. If the funds appropriated in Item 8100-111-001 for this program are less than $19,400,000, administrative support shall be reduced to an amount equal to 5% of the total program. The balance of the funds remaining after this adjustment shall be transferred to Item 8100-111-001 for local assistance.

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8100-001-241—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Local Public Prosecutors and Public Defenders Training Fund		73,000
Provisions:		
1. Notwithstanding any other provisions of law restricting the costs of administering individual programs, the full amount of this appropriation may be used by the Office of Criminal Justice Planning for administrative costs.		
8100-001-425—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Victim/Witness Assistance Fund		1,885,000
Provisions:		
1. Of the amount appropriated by this item, $50,000 is to develop a curriculum for health care professionals who examine victims of sexual assault as provided in Assembly Bill No. 321 of the 1989–90 Regular Session.		
8100-001-890—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Federal Trust Fund		1,259,000
8100-101-001—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards		23,356,000
Schedule:		
(a) 50.21.040-Domestic Violence Program	1,500,000	
(b) 50.21.050-Victims Legal Resources Center	180,000	
(c) 50.31.010-California Community Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code	962,000	
(d) 50.31.060-Family Violence Prevention	202,000	
(e) 50.41.020-Suppression of Drug Abuse in Schools Program	3,006,000	
(f) 50.41.030-California Gang Violence Suppression Program	5,027,000	
(fx) 50.41.045-Homeless Youth Project	920,000	

Item		Amount
(g) 50.51.010-California Career Criminal Prosecution Program, to be allocated pursuant to Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	4,153,000	
(h) 50.51.020-Major Narcotic Vendors Prosecution Program	2,751,000	
(i) 50.51.030-Child Sexual Assault Prosecution Program	1,358,000	
(j) 50.61.010-Public Prosecutors and Public Defenders	30,000	
(k) 50.61.020-Child Sexual Abuse Prevention and Training	700,000	
(*l*) 50.71.010-California Career Criminal Apprehension Program	2,404,000	
(m) 50.71.040-Youth Emergency Telephone Referral	211,000	
(o) 50.71.060-Vertical Defense	721,000	
(p) 50.71.080-Juvenile Sex Offender Treatment	450,000	
(q) 50.71.110-Serious Habitual Offender	570,000	
(r) Reimbursements	−1,789,000	

Provisions:

1. The amount appropriated in Schedule (g) shall only be awarded to local governmental entities which provide a minimum 10 percent local cash match for the state General Fund amount allocated.
2. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to seventeen percent of grants funds awarded to community-based, non-profit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.

8100-101-196—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards, payable from the Asset Forfeiture Distribution Fund 1,000,000

Schedule:

50.71.130 Gang Risk Intervention Pilot Program	1,000,000

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Provisions:

1. Subject to the availability of funds, monies in this item shall be disbursed to the Los Angeles County Office of Education to fund grants and administer the Gang Risk Intervention Pilot Program only after sufficient revenues have been received to fully fund the obligation of Section 11489(b)(4)(A) of the Health and Safety Code, requiring an appropriation of $1,500,000 to the State Department of Mental Health for the Primary Prevention Program.

8100-101-241—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards, payable from the Local Public Prosecutors and Public Defenders Training Fund 916,000

Provisions:

1 Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to seventeen percent grant funds awarded to community-based, non-profit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.

2. Of the amount appropriated in this item, $8,000 shall be used to contract for a study of the legal ramifications of the use of what is commonly referred to as "Post Partum Depression" as a defense in criminal cases That study shall culminate in the preparation and distribution of instructional materials and a report on the "Post Partum Depression" defense to each district attorney in this state.

8100-101-425—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards, payable from the Victim/Witness Assistance Fund 13,270,000

Schedule:

(a) 50.21.010-Victim/Witness Assistance Program	8,918,500
(b) 50.21.020-Rape Crisis Program	3,496,500
(c) 50.21.030-Child Sexual Abuse and Exploitation Program	855,000

Provisions:

1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to seventeen percent of grant funds awarded to community-

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based, non-profit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.	
8100-101-890—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards, payable from the Federal Trust Fund.....	26,284,000
Schedule:	
(a) 50.21.040-Domestic Violence Program..... 735,000	
(b) 50.21.060-Victims of Crime Act (VOCA)..... 4,073,000	
(c) 50.31.030-Federal Rape Prevention..... 380,000	
(d) 50.41.010-Juvenile Justice and Delinquency Prevention..... 3,745,000	
(e) 50.41.030-Gang Violence Suppression..... 505,000	
(f) 50.71.100-Justice Assistance Act..... 1,080,000	
(g) 50.71.120-Federal Anti-Drug Abuse Program..... 15,766,000	
Provisions:	
1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to seventeen percent of grant funds awarded to community-based, non-profit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.	
8100-111-001—For local assistance, Office of Criminal Justice Planning, Program 50, Local Project Awards.....	0
Schedule:	
(a) 50.41.020—Suppression of Drug Abuse in Schools Program..... 2,666,000	
(b) Reimbursements..... −2,666,000	
Provisions:	
1. The funds appropriated in this item shall be available for the suppression of drug abuse in schools or other community-based drug education programs pursuant to future legislation.	
8120-001-268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund.....	7,332,000

Item		Amount
Schedule:		
(a) 10-Standards	3,515,000	
(b) 20-Training	5,800,000	
(c) 30-Peace Officer Training Reimbursement	67,000	
(d) 40.01-Administration	2,492,000	
(e) 40.02-Distributed Administration	−2,492,000	
(f) Reimbursements	−55,000	
(g) Amount payable from the Peace Officers' Training Fund (Item 8120-011-268)	−1,995,000	
8120-011-268—For support of Commission on Peace Officer Standards and Training, for payment to Item 8120-001-268, payable from the Peace Officers' Training Fund		1,995,000
Provisions:		
1. Funds are to be used for contractual services in support of local training programs, pursuant to Section 13503(c) of the Penal Code.		
2. Funds may be transferred between this item and Item 8120-101-268 to meet the needs of local training programs.		
8120-101-268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, for allocation to cities, counties, and cities and counties pursuant to Section 13523 of the Penal Code, payable from the Peace Officers' Training Fund		32,000,000
Provisions:		
1. Funds may be transferred between this item and Item 8120-011-268 to meet the needs of local training programs.		
2. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Peace Officers' Training Fund which is in addition to the revenue appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee. The director may authorize these augmentations only up to the amount needed to reach the goal of providing 100 percent salary reimbursement to the cities and counties.		
8140-001-001—For support of State Public Defender		9,577,000

Item		Amount
Schedule:		
(a) 10-State Public Defender	9,581,000	
(b) Reimbursements	−4,000	
8160-111-001—For local assistance, Assistance to Counties for Defense of Indigents, for payment by the State Controller pursuant to Section 987.9 of the Penal Code.		13,000,000
Provisions:		
1. Claims made pursuant to this item shall be filed by the county within six months after the end of the month in which a disbursement by the county is made for payment of an eligible cost or after a court order is issued granting such disbursement, whichever occurs later; and provided further that, in addition to timely claims filed during the 1989–90 fiscal year, timely claims filed during the 1988–89 fiscal year may also be paid from this item.		
2. Payments made pursuant to this item shall be made in accordance with Title 2 of the California Code of Regulations, Subchapter 2.5, Article 5, beginning with Section 1025.1 et seq. concerning compensation of attorneys, investigators, expert witnesses, and other expenses.		
8180-101-001—For local assistance, Payment to Counties for Costs of Homicide Trials, for payment by the State Controller		3,875,000
Provisions:		
1. This item is for payment to counties for costs of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.		
2. The Controller shall reimburse counties for reasonable and necessary expenses incurred pursuant to Section 15202 of the Government Code, except that reimbursements to a county shall not exceed: (a) for attorney services, an hourly rate equal to that county's average hourly cost for public defenders, the hourly rate paid to appointed counsel, or the hourly rate charged state agencies by the Attorney General for attorney services, whichever rate is less; (b) for investigators, an hourly rate equal to that county's average hourly cost for county-employed investigators, or the hourly rate charged state agencies by the Attorney General for investiga-		

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tors, whichever rate is less; (c) for expert witnesses, the hourly rate that the county generally pays for these services.

8190-001-001—For the administration and payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions supported from the General Fund, for expenditure by the Department of Justice, subject to approval of the Department of Finance in its discretion..... 1,000

Provisions:

1. In the event that expenditures for purposes of Item 8190-001-001 exceed the amount appropriated in this item, the Director of Finance may allocate sufficient amounts, not to exceed $1,200,000, from the Special Fund for Economic Uncertainties, to this item.
2. There is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions, arising from activities supported from such fund; provided, that no expenditure from any such appropriation from a fund other than the General Fund for payment of tort liability claims, settlements, compromises and judgments shall be made unless approved by the Department of Finance in its discretion.
3. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.
4. Payment under this item is limited in amount to claims, settlements, compromises, and judgments which do not exceed $70,000, exclusive of interest, and no payment from this item exceeding that amount shall be approved by the Department of Finance or made by the Department of Justice.
5. No payment shall be approved by the Department of Finance or made by the Department of Justice from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment upon which the payment is based.

Item		Amount
8200-001-001—For support of Commission for Economic Development		586,000
Schedule:		
(a) 10-Commission for Economic Development	589,000	
(b) Reimbursements	−3,000	
8260-001-001—For support of California Arts Council		2,759,000
Schedule:		
(a) 10-Artists in Residence	739,000	
(b) 20-Organizational Grants	1,290,000	
(c) 25-Performing Arts Touring/Presenting Program	406,000	
(d) 40-Statewide Projects	601,000	
(e) 45-California Challenge Program	72,000	
(f) 50.01-Administration	1,499,000	
(g) 50.02-Distributed Administration	−1,499,000	
(h) Amount payable from the Federal Trust Fund (Item 8260-001-890)	−349,000	
8260-001-890—For support of the California Arts Council, for payment to Item 8260-001-001, payable from the Federal Trust Fund		349,000
8260-101-001—For local assistance, California Arts Council for grants and subventions		13,000,000
Schedule:		
(a) 10-Artists in Residence	2,332,000	
(b) 20-Organizational Grants	7,880,000	
(c) 25-Performing Arts Touring/Presenting Program	737,000	
(d) 40-Statewide Projects	2,051,000	
Provisions:		
1. Funds appropriated for the Small and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides a dollar-for-dollar cash match; provided that no matching funds shall be required for grants to individual artists.		
8260-101-890—For local assistance, California Arts Council, payable from the Federal Trust Fund		547,000
Schedule:		
(a) 10-Artists in Residence	215,000	
(b) 20-Organizational Grants	214,000	
(c) 25-Performing Arts Touring/Presenting Program	118,000	
Provisions:		
1. Any organization applying for a grant under the Large Budget Organizations element of the Or-		

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ganizational Grants program may not receive a grant under the Small and Mid-size Organizations element of the Organizational Grants program.		
2. Any organization applying for a grant under the Small and Mid-size Organizations element of the Organizational Grants program may not receive a grant under the Large Budget Organizations element of the Organizational Grants program.		
3. Funds appropriated for the Small and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides a dollar-for-dollar cash match; provided that no matching funds shall be required for grants to individual artists.		
8260-111-001—For local assistance, California Arts Council for California Challenge Program Grants		930,000
Provisions:		
1. Funds appropriated for the California Challenge Program shall not be expended unless the grant recipient provides matching funds through new and increased private contributions based on criteria established by the California Arts Council specifically for this program.		
8280-001-001—For support of Native American Heritage Commission, Program 10		309,000
8300-001-001—For support of Agricultural Labor Relations Board		6,545,000
Schedule:		
(a) 10-Board Administration	2,869,000	
(b) 20-General Counsel Administration	3,676,000	
(c) 30.01-Administrative Services	583,000	
(d) 30.02-Distributed Administrative Services	−583,000	
8320-001-001—For support of Public Employment Relations Board		6,198,000
Schedule:		
(a) 10-Dispute Resolution	4,944,000	
(b) 20-Representation	1,254,000	
(c) 30.01-Administration	1,300,000	
(d) 30.02-Distributed Administration	−1,300,000	
8350-001-001—For support of Department of Industrial Relations		111,814,000

Item		Amount
	Schedule:	
	(a) 10-Regulation of Workers' Compensation Self-Insurance Plans.....	1,812,000
	(b) 20-Conciliation of Employer-Employee Disputes	1,995,000
	(c) 30-Preventing, Settling, Adjudicating and Administrating Disputes under Workers' Compensation Laws.....	56,057,000
	(d) 40-The Prevention of Industrial Injuries and Deaths to California Workers.....	46,604,000
	(e) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication.....	22,949,000
	(f) 60-Promotion, Development and Administration of Apprenticeship and other on-the-job training.....	5,624,000
	(g) 70-Labor Force Research and Data Dissemination	2,974,000
	(h) 80-Payment of claims, wages, and contingencies	22,660,000
	(i) 94.01-Administration	12,559,000
	(j) 94.02-Distributed Administration ..	−12,559,000
	(k) Reimbursements.....	−2,482,000
	(*l*) Amount payable from the Farm Labor Contractor's Special Account (Item 8350-001-023)...	−50,000
	(m) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 8350-001-216)	−607,000
	(n) Amount payable from the Self-Insurance Plans Fund (Item 8350-001-396)	−1,543,000
	(o) Amount payable from the Elevator Safety Inspection Account, General Fund (Item 8350-001-452).....	−3,313,000
	(p) Amount payable from the Pressure Vessel Inspection Account, General Fund (Item 8350-001-453).....	−3,098,000
	(q) Amount payable from the Garment Manufacturer's Special Account (Item 8350-001-481).....	−50,000

Item		Amount
(r)	Amount payable from the Employee's Account, Uninsured Employer's Fund (Item 8350-001-571)	−22,916,000
(s)	Amount payable from the Federal Trust Fund (Item 8350-001-890)	−14,496,000
(t)	Amount payable from the Industrial Relations Unpaid Wage Fund (Labor Code Section 96.6)	−60,000
(u)	Amount payable from the Asbestos Abatement Account (Item 8350-001-973)	−246,000

Provisions:

1. Of the funds appropriated for support of Schedule (d), $246,000 from Item 8350-001-973 shall be encumbered for (a) routine compliance activities of the Cal/OSHA field enforcement program related to school site asbestos abatement projects, (b) monitoring and compliance inspections covering a 10-percent random sample of school asbestos abatement projects, and (c) registration of asbestos abatement contractors.
2. As of June 30, 1989, the unencumbered balance of funds appropriated for restoration of the California Occupational Safety and Health (Cal/OSHA) Program in the 1988–89 fiscal year shall revert to the General Fund.
3. None of the funds appropriated by this item may be expended for support of the Industrial Welfare Commission.
4. None of the funds appropriated by this item may be expended for the salary of the Labor Commissioner until the requirements of Section 2674.2 of the Labor Code have been met.

8350-001-023—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Farm Labor Contractor's Special Account 50,000

8350-001-216—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Relations Construction Industry Enforcement Fund 607,000

8350-001-396—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Self-Insurance Plans Fund 1,543,000

Item	Amount
8350-001-452—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Elevator Safety Inspection Account, General Fund	3,313,000
8350-001-453—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Pressure Vessel Inspection Account, General Fund	3,098,000
8350-001-481—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Garment Manufacturer's Special Account	50,000
8350-001-571—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Employee's Account, Uninsured Employer's Fund	22,916,000
8350-001-890—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Federal Trust Fund	14,496,000
8350-001-973—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Asbestos Abatement Fund	246,000
8350-011-001—For support of Department of Industrial Relations, payable from the General Fund, for transfer to the Uninsured Employer's Account	19,800,000
8350-490—Reappropriation, Department of Industrial Relations. Notwithstanding any other provision of law, as of June 30, 1989, the balance of the appropriation provided for Program 30 in Item 8350-001-001, Budget Act of 1988, is reappropriated for transfer to, and in augmentation of, Program 30 of Item 8350-001-001, Budget Act of 1989, for the purposes of meeting Workers' Compensation program workload requirements and shall be available for encumbrance and expenditure through June 30, 1990. Provisions: 1. The Department of Industrial Relations shall utilize all funds reappropriated by this item to hire and train temporary help in its field offices by October 1, 1989, to eliminate workers' compensation claim and program backlogs, and to expedite claim processing.	
8380-001-001—For support of Department of Personnel Administration	7,929,000
Schedule:	
(a) 20-Labor Relations	1,610,000

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(b)	25-Legal	992,000
(c)	40.01-Administration	3,297,000
(d)	40.02-Distributed Administration	−3,297,000
(e)	52-Classification and Compensation	3,841,000
(f)	54-Benefits Administration	2,744,000
(g)	56-Training and Development	2,277,000
(h)	58-Merit Award	321,000
(i)	Reimbursements	−2,625,000
(j)	Amount payable from the Flexelect Benefit Fund (Item 8380-001-821)	−108,000
(k)	Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915)	−1,123,000
8380-001-821—For support of Department of Personnel Administration, for payment to Item 8380-001-001, payable from the Flexelect Benefit Fund		108,000
8380-001-915—For support of Department of Personnel Administration, for payment to Item 8380-001-001, payable from the Deferred Compensation Plan Fund		1,123,000

Provisions:

1. $50,000 of the amount appropriated in this item shall fund an independent audit on the activities and performance of the Employee Deferred Compensation Plan. The Department of Personnel Administration shall select an independent contractor to conduct the audit using a Request for Proposal (RFP) process. The report shall include the following:
   (a) An evaluation of all investment options, mutual funds, savings and loans, and guaranteed investment contracts offered through the Department of Personnel Administration. The evaluation shall include a) a comparison of similar plans as specified in Sections 457 (e) and 401 (k) of the Internal Revenue Code, in other comparable states in order to evaluate their experience and analyze competitive market rates, and b) an analysis of each individual investment option offered by the Department of Personnel Administration which shall outline their stability and soundness.
   (b) An evaluation of each individual Deferred Compensation Plan, offered through DPA,

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which shall include, but not be limited to, rate of return, collateralization, administrative costs, termination requirements, and withdrawal rights and or penalties.

(c) An analysis of the Department of Personnel Administration's Request for Proposal (RFP) process in awarding Deferred Compensation Plan contracts.

2. The Department of Personnel Administration shall report to the Joint Legislative Budget Committee, and fiscal committees no later than March 30, 1990 on the results of the audit.

8450-001-001—For support of Workers' Compensation Benefit Program, for payment of the additional compensation for subsequent injuries provided for by Sections 4750 through 4755 of the Labor Code 3,720,000

Schedule:

(a) Payment of Claims	4,626,000
(b) Support, State Compensation Insurance Fund	236,000
(c) Prelitigation Expenses	170,000
(d) Support, Department of Industrial Relations	688,000
(e) Amount payable from Subsequent Injuries Moneys, General Fund (Item 8450-001-016)	−2,000,000

Provisions:

1. This item shall not be construed as a limitation on expenditures provided by Item 8450-001-016.
2. The amount available from this item shall not be available for expenditure at any time that funds appropriated by Item 8450-001-016 are available for expenditure.
3. At the end of fiscal year 1989–90, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Item 8450-001-016.

8450-001-016—For payment of workers' compensation benefits for subsequent injuries, for payment to Item 8450-001-001, payable from the account for Subsequent Injuries Moneys, General Fund 2,000,000

8460-101-001—For local assistance, Disaster Service Workers 663,000

Provisions:

1. This item is for furnishing of workers' compen-

Item		Amount
sation to disaster service workers and their dependents, in accordance with Division 4 (commencing with Section 3200) of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor's office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code. Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires.		
8500-001-152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund		1,273,000
Schedule:		
(a) 10-Board of Chiropractic Examiners	1,276,000	
(b) Reimbursements	−3,000	
Provisions:		
1. Of the amount appropriated in this item, $335,000 shall be available to the Board of Chiropractic Examiners only for attorney and legal costs relating to the lawsuit filed against the board relating to the adoption of Regulation 302. This amount shall be available on a one-time basis only during the 1989–90 fiscal year.		
8510-001-264—For support of Board of Osteopathic Examiners of the State of California, payable from the Board of Osteopathic Examiners Contingent Fund		446,000
Schedule:		
(a) 10-Board of Osteopathic Examiners	448,000	
(b) Reimbursements	−2,000	

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8530-001-290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund 589,000
Schedule:
(a) 10.01 Support 281,000
(b) 10.02 Training 308,000

8540-001-114—For support of California Auctioneer Commission, Program 10, payable from the Auctioneer Commission Fund 269,000

8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund . 7,146,000
Schedule:
(a) 100000-Personal Services 2,383,000
(b) 300000-Operating Expenses and Equipment 5,073,000
(c) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-942) . —310,000
Provisions:
1. Of the funds appropriated in category (b), $5,000 shall be allocated for an audit prepared by the Auditor General of the contract bidding procedures for awarding laboratory testing contracts to conduct equine drug testing.
2. The Equine Medical Director shall report directly to the California Horse Racing Board instead of to the executive secretary of the board.
3. No funds from this item shall be encumbered until the order of the State Personnel Board in Case No. 22821 becomes final and has been executed.
4. Any expenditure of funds from this item on and after August 1, 1989, may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairpersons of the appropriate legislative policy committee in each house which has jurisdiction over this subject matter, or not sooner than whatever lesser time the chairpersons, or their designees, may in each instance determine.

8550-001-942—For support of the California Horse Racing Board, for payment to Item 8550-001-191, payable from the Racetrack Security Account, Special Deposit Fund 310,000

Item			Amount
8550-011-942—Notwithstanding paragraph (1) of subdivision (b) of Section 19641 of the Business and Professions Code, there is hereby transferred to the General Fund the unencumbered balance of the Racetrack Security Account, Special Deposit Fund, as of June 30, 1990			(1,800,000)
8560-001-510—For support of California Exposition and State Fair, provided that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the California Exposition and State Fair Enterprise Fund by the California Exposition and State Fair			14,696,000
Schedule:			
(a) 100000-Personal Services		6,809,000	
(b) 300000-Operating Expenses and Equipment		9,072,000	
(c) Reimbursements		−900,000	
(d) Amount payable from the State Fair Police Special Account (Item 8560-011-466)		−20,000	
(e) Amount payable from the Fair and Exposition Fund (B&P Code Sec. 19622(a))		−265,000	
Provisions.			
1. The amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.			
2. The Director of Finance may authorize augmentations, up to a total of 10%, of the amount available for expenditure from the California Exposition and State Fair Enterprise Fund in this item if the California Exposition and State Fair has certified in writing that there is sufficient money in the reserve of the California Exposition and State Fair Enterprise Fund to cover the augmentation.			
3. It is the intent of the Legislature that the funds made available from the appropriation made in this item may be expended for promotional and public relations purposes of the California Exposition and State Fair pursuant to subdivision (a) of Section 4403 of the Food and Agricultural Code.			
4. Of the funds appropriated in Schedule (b), $75,000 shall be made available for payment of attorney fees.			

Item		Amount
5. Of the funds appropriated in category (b), $500,000 for the replacement of the livestock barns shall not be available for encumbrance unless financing for the project has been secured by the California Fairs Financing Authority.		
8560-011-466—For support of California Exposition and State Fair, for payment to Item 8560-001-510, payable from the State Fair Police Special Account...		20,000
8560-490—Reappropriation, California Exposition and State Fair. Notwithstanding any other provision of law, $500,000 of the appropriation provided in Item 8560-001-510 of the Budget Act of 1988 is reappropriated for the partial costs of replacement of the livestock barns, and shall be available for encumbrance and expenditure until June 30, 1990.		
Provisions:		
1. These funds shall not be available for encumbrance unless financing for the project has been secured by the California Fairs Financing Authority.		
8570-001-001—For support of Department of Food and Agriculture		75,733,000
Schedule:		
(a) 10-Pesticide Regulatory Program.	27,633,000	
(b) 20-Plant Pest and Disease Prevention	26,299,000	
(c) 25-Animal Pest and Disease Prevention/Inspection Services	20,847,000	
(d) 30-Agricultural Marketing Services	5,011,000	
(e) 40-Food and Agricultural Standards and Inspection Services	2,305,000	
(f) 50-Measurement Standards	2,557,000	
(g) 60-Financial and Administrative assistance to local fairs	1,599,000	
(h) 70.01-Exec. Mgmt. and Admin. Svcs.	8,279,000	
(i) 70.02-Distributed Exec. Mgmt. and Admin. Svcs.	−7,299,000	
(j) 80-Gen. Agriculture Activities and Emergency Funding	7,434,000	
(k) Reimbursements	−2,432,000	
(kx) Unallocated Reduction	−800,000	
(*l*) Amount payable from the Agriculture Fund (Item 8570-001-111)	−10,676,000	

Item		Amount
(m) Amount payable from the Fair and Exposition Fund (Item 8570-001-191)		−1,222,000
(n) Amount payable from the Satellite Wagering Account (Item 8570-012-192)		−277,000
(o) Amount payable from the Agriculture Building Fund (Item 8570-001-601)		−1,258,000
(p) Amount payable from the Federal Trust Fund (Item 8570-001-890)		−1,893,000
(q) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-112)		−374,000
Provisions:		
1. Funds appropriated to Schedule (j) from Item 8570-001-111 are in lieu of the appropriation provided by subdivision (b) of Section 224 of the Food and Agricultural Code for emergency detection, eradication, or research of agricultural plant or animal pests or diseases. The Director of Food and Agriculture may expend the funds with the approval of the Director of Finance. The funds which are so appropriated are not subject to Section 6.50 of this act.		
8570-001-111—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agriculture Fund		10,676,000
8570-001-191—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Fair and Exposition Fund		1,222,000
8570-001-601—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agriculture Building Fund		1,258,000
Provisions:		
1. Funds appropriated by this item are in lieu of the appropriation made by Section 624 of the Food and Agricultural Code.		
8570-001-890—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Federal Trust Fund		1,893,000
8570-011-112—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agricultural Pest Control Research Account		374,000

Item		Amount
8570-011-191—For transfer by the State Controller from the Fair and Exposition Fund to the General Fund, for health benefits for retired employees of district agricultural associations		(698,000)
8570-012-192—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Satellite Wagering Account		277,000
8570-101-001—For local assistance, Department of Food and Agriculture		10,942,000
Schedule:		
(a) 10-Pesticide Regulatory Program.	2,915,000	
(b) 20-Plant Pest and Disease Prevention	7,586,000	
(c) 50-Measurement Standards	475,000	
(d) 60-Financial and Administrative Assistance to local fairs	4,692,750	
(e) 80-General Agricultural Activities and Emergency Funding	383,000	
(ex) Payable from the Special Account for Capital Outlay	−2,750	
(f) Payable from the Agriculture Fund (Item 8570-101-111)	−34,000	
(g) Payable from the Fair and Exposition Fund (Item 8570-101-191)	−4,690,000	
(h) Payable from the General Fund (Item 8570-111-001)	−383,000	
Provisions:		
1. In providing assistance to counties under category (c) of this item, the department shall require each county to (1) use these funds for any weights and measures program activity giving first priority to quantity control activities of statewide or regional benefit and (2) maintain county support (from county general funds or fees) for quantity control activities at 1984–85 levels at a minimum. Counties may use state funds for inspections at retail and other locations if those inspections address specific statewide needs identified by the department.		
8570-101-036—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001, payable from the Special Account for Capital Outlay		2,750
8570-101-111—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001, payable from the Agriculture Fund		34,000

Item	Amount
8570-101-191—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001, payable from the Fair and Exposition Fund	4,690,000

Provisions:

1. The funds appropriated in this item are for the following:
   (a) Unemployment insurance at local fairs 950,000
   (b) Health and safety improvements 3,000,000
   (c) Other local fair projects 740,000
2. The funds in Provision 1 (a) are appropriated for the contributions, or the cost of benefits in lieu of contributions, payable from the Fair and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Division 8 (commencing with Section 19400) of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.
3. The funds in Provision 1 (b) and (c) are in lieu of the appropriation made in Section 19630 of the Business and Professions Code.
4. The Department of Food and Agriculture may only allocate the funds appropriated in Provision 1 (c) for the purposes described in Section 19630 of the Business and Professions Code.
5. The Department of Food and Agriculture may only allocate the funds contained in Provision 1 (b) for health and safety repairs at local fairs. Health and safety repairs shall be limited to projects that address problems which: (a) immediately threaten the public safety; (b) could be hazardous to the public health; or (c) projects needed to comply with the California Administrative Code or local fire and life safety codes.
6. All funds that would otherwise be available for allocation pursuant to Section 19630 of the Business and Professions Code and which are in excess of the amount appropriated in this item, are hereby continuously appropriated pursuant to Section 19630.

Item			Amount
8570-111-001—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001			383,000
Provisions:			
1. The funds in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.			
8570-301-036—For capital outlay, Department of Food and Agriculture, payable from the Special Account for Capital Outlay			302,000
Schedule:			
(1) 90.90.010—Minor Projects		302,000	
8570-301-601—For capital outlay, Department of Food and Agriculture, payable from the Agriculture Building Fund			326,000
Schedule:			
(1) 90.47.015—Sacramento-Plant Industry Laboratory-Preliminary plans		326,000	
8620-001-001—For support of the Fair Political Practices Commission			2,520,000
Schedule:			
(a) 10.10-Local enforcement		827,000	
(b) 10.20-Legal, technical assistance and state enforcement		1,693,000	
8640-001-001—For support of Political Reform Act of 1974, the following sums are hereby appropriated to, and in augmentation of, the following agencies and officers for the administration, investigation and regulation of the political campaigns, officials, and lobbyists			2,149,000
Schedule:			
(a) 10-Secretary of State		686,000	
(1) For transfer by the State Controller to Item 0890-001-001 as follows:			
(a) Personal Services	433,000		
(b) Operating Expenses and Equipment	253,000		
(b) 20-Franchise Tax Board		1,136,000	
(1) For transfer by the State Controller to Item 1730-001-001 as follows:			

Item			Amount
	(a) Personal Services.. 991,000		
	(b) Operating Expenses and Equipment..... 145,000		
	(c) 30-Department of Justice.....	335,000	
	(1) For transfer by the State Controller to Item 0820-001-001 as follows:		
	(e) 40-Criminal Law... 125,000		
	(g) 50-Law Enforcement..... 210,000		
	(d) 40-Fair Political Practices Commission.....	(2,852,000)	
	(e) Reimbursements.....	−8,000	
	(1) For transfer by the State Controller to Item 0890-001-001(d)		
8660-001-042—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the State Highway Account, State Transportation Fund.....			1,686,000
8660-001-046—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Transportation Planning and Development Account, State Transportation Fund.....			2,564,000
8660-001-412—For support of Public Utilities Commission, payable from the Transportation Rate Fund.....			18,582,000
Schedule:			
(a) 100000-Personal Services.....		51,745,044	
(b) 300000-Operating Expenses and Equipment.....		18,945,956	
(c) Reimbursements.....		−2,524,000	
(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-042).....		−1,686,000	
(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046)....		−2,564,000	
(f) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-461).....		−4,276,000	

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(g) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462) ..... —40,930,000

(h) Amount payable from the Federal Trust Fund (Item 8660-001-890) .. —129,000

Provisions:

1. The Public Utilities Commission shall require San Diego Gas and Electric Company (SDG&E) and Southern California Edison Company (SCE) to reimburse the Commission for the expenses of such consultants or advisory services as the Commission deems necessary to assist in its consideration of the proposed merger of SDG&E and SCE.
2. Of the amount appropriated in this item, up to $90,000 shall be available in fiscal year 1989–90 to fund a temporary field office in San Diego. Of the $90,000 available under this provision, up to $73,000 shall be available for personal services, and up to $17,000 for operating expenses and equipment.
3. Of the amount appropriated in this item, up to $55,000 shall be available to fund a temporary field office in San Diego for the first 6 months of fiscal year 1990–91, if needed. Of the $55,000 available under this provision, up to $44,000 shall be available for personal services, and up to $11,000 for operating expenses and equipment.
4. The Commission shall require San Diego Gas and Electric Company (SDG&E) and Southern California Edison Company (SCE) to reimburse the Commission for up to $500,000 for contract expenses as the Commission deems necessary to promote public education, understanding, and participation in both the SDG&E and SCE service territories with regard to the proposed merger of SDG&E and SCE.

   The Public Advisor shall use those funds for contracts to promote public education and understanding of merger issues involving ratepayers, shareholders, utility employees, local communities, competition, the environment, and other significant issues selected by the Commission.

   The Public Advisor shall also use those funds for contracts to promote public education and

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understanding of the process for participating in the Commission's proceedings regarding the proposed merger of SDG&E and SCE.

Contracts shall be awarded on the basis of the applicant's ability and agreement to provide a balanced and factual view of significant merger issues through workshops, seminars, publications, or other means of education, outreach, and communication to those individuals and groups most likely to be interested in or affected by those issues.

None of these funds may be used by the Commission to pay for awards authorized under the Commission's intervenor program, and no contract may be awarded to an applicant who is also seeking Commission intervenor program funding in the SCE-SDG&E merger proceeding.

8660-001-461—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund 4,276,000

8660-001-462—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund..... 40,930,000

8660-001-890—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Federal Trust Fund 129,000

8700-001-001—For support of State Board of Control... 902,000

Schedule:

(a) 11-Citizens Indemnification	24,773,000
(b) 21-Hazardous Substance Claims...	20,000
(c) 31-Civil Claims Against the State.	1,181,000
(d) 51.01-Administration	2,496,000
(e) 51.02-Distributed Administration .	−1,504,000
(f) Reimbursements.....	−299,000
(g) Amount payable from the Restitution Fund (Item 8700-001-214)	−15,265,000
(h) Amount payable from the Federal Trust Fund (Item 8700-001-890) ..	−10,500,000

Provisions:

1. The Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of such proceedings.

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8700-001-214—For support of State Board of Control, for support services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, for payment to Item 8700-001-001, payable from the Restitution Fund		15,265,000
Provisions:		
1. The Board of Control shall not consider the Medically Indigent Services Program, or any other successor program, as a reimbursement source for the purpose of determining pecuniary loss in administering the Victims of Crime Program.		
2. The Board of Control shall report to the Joint Legislative Budget Committee within 30 days after the end of each month on the status of the Victims of Crime Program. This report shall include, but not be limited to, the number of claims received, the number of claims processed, the status of any claim backlog, the status of the claim processing time, staff vacancies, and the condition of the Restitution Fund. The board shall include in its report on claims processed the number of claims "zero awarded" (determined to be eligible for compensation but for which no payment has yet been issued), and the amount of expenses pending on these claims.		
8700-001-890—For support of the State Board of Control, for payment to Item 8700-001-001, payable from the Federal Trust Fund		10,500,000
8730-001-001—For support of Commission on State Finance, Program 10		833,000
8780-001-001—For support of Commission on California State Government Organization and Economy		678,000
Schedule:		
(a) 10-Commission on California State Government Organization and Economy	680,000	
(b) Reimbursements	−2,000	
8800-001-001—To the State Controller for support of Memberships in Interstate Organizations		791,000
Schedule:		
(a) 10-Council of State Governments	258,000	

Item		Amount
(b) 20-National Conference of State Legislatures	260,000	
(c) 30-Western States Legislative Forestry Task Force	22,000	
(d) 40-Governmental Accounting Standards Board	70,000	
(e) 50-State and Local Legal Center	8,000	
(f) 60-National Governors' Association	121,000	
(g) 70-Council of State Policy and Planning Agencies	11,000	
(h) 80-Coastal States' Organization	11,000	
(i) 90-Western Governors' Association	30,000	
8820-001-001—For support of Commission on the Status of Women		591,000
Schedule:		
(a) 100000-Personal Services	360,000	
(b) 300000-Operating Expenses and Equipment	231,000	
8830-001-001—For support of California Law Revision Commission, Program 10		574,000
Provisions:		
1. The commission shall not limit its scheduled meetings to Sacramento. On a periodic basis, meetings shall be held at other locations in the state, as determined by the commission.		
8840-001-001—For support of California Commission on Uniform State Laws		100,000
8860-001-001—For support of Department of Finance.		26,562,000
Schedule:		
(a) 10-Annual Financial Plan	11,711,000	
(b) 20-Program and Information System Assessments	6,936,000	
(c) 30-Supportive Data	8,488,000	
(d) 40.01-Administration	3,919,000	
(e) 40.02-Distributed Administration	−3,786,000	
(f) Reimbursements	−706,000	
Provisions:		
1. The funds appropriated in this item for CFIS/CALSTARS shall be transferred by the State Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CFIS/CALSTARS related activities by the Department of Finance.		
2. The funds appropriated in this act for purposes		

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	of CALSTARS related data processing costs may be transferred between any items in this act by the State Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS related data processing costs incurred.	
	3. No electronic data processing projects may be given sole source approval any sooner than 30 days after written notification of intention to grant sole source approval is provided to the fiscal committees and the Joint Legislative Budget Committee (JLBC) or any sooner than whatever lesser time the Chairperson of the JLBC shall determine.	
	4. The Office of Information Technology (office) shall not have organizational responsibilities for the development or management of information technology programs, including the California Fiscal Information System (CFIS), within the Department of Finance (department). In addition, the office shall not be responsible for approving any data-processing systems within the department. The department shall not implement any change in systems which would have otherwise required approval by the office sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee or whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee may determine.	
8885-001-001—For support of Commission on State Mandates, Program 10		598,000
8885-011-360—For transfer by the State Controller's Office, from the State Mandates Claims Fund to the General Fund as of June 30, 1989		(3,400,000)
8885-101-001—For local assistance, Commission on State Mandates, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		198,159,000
Schedule:		
(1) 02.50.135.576—Justice court judges..	0	
(2) 02.50.139.976—Custody of minors.	2,009,000	

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(3) 02.50.074.378—Judicial arbitration	0
(4) 02.50.088.981—Lis pendens	45,000
(5) 02.50.081.081—Parent/child counsel	0
(6) 02.50.158.084—Judges' per diem	0
(7) 02.50.101.879—San Francisco Superior Court Judgeship	0
(8) 02.50.004.880—Marriage mediators	0
(9) 02.50.108.882—Juvenile felony arrests	2,167,000
(10) 02.50.126.278—Victims' statements	1,600,000
(11) 06.90.103.280—Deaf teletype equipment	50,000
(12) 08.20.046.278—Dental examinations	92,000
(13) 08.20.095.276—Marijuana records	606,000
(14) 08.20.120.385—Motorists' Assistance	3,000,000
(15) 08.20.091.379—Domestic Violence Diversion	962,000
(16) 08.20.005.184—Missing Persons' Reports	11,000,000
(17) 08.20.160.984—Domestic Violence Information	5,500,000
(18) 08.20.101.184—Juvenile court records	42,000
(19) 08.20.156.284—Firearms	77,000
(20) 08.90.007.778—Absentee ballots	3,012,000
(21) 08.90.045.474—Filing fees	61,000
(22) 08.90.049.479—Handicapped voter access	216,000
(23) 08.90.070.475—Registration by mail	1,140,000
(24) 08.90.160.382—Democratic presidential delegates	100,000
(25) 08.90.104.285—Election Materials	30,000
(26) 17.30.023.874—Substandard housing	112,000
(27) 19.00.139.874—Unused sick leave credit	2,378,000
(28) 19.00.117.078—Increased pension	8,615,000
(29) 19.00.103.679—Increased benefits	2,505,000

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(30) 19.00.079.980—Increased death benefits	575,000
(31) 22.40.114.380—Regional housing needs	1,167,000
(32) 34.80.113.175—Mineral resource policies	300,000
(33) 37.20.133.076—Local coastal plans.	400,000
(34) 42.60.045.374—Sudden infant death syndrome notices	26,000
(35) 42.60.116.381—Medi-Cal beneficiary death notices	80,000
(36) 42.60.159.788—AIDS Testing	1,000,000
(37) 42.60.049.877—Pretreatment Facilities	3,092,000
(38) 43.00.049.877—Coroners	74,000
(39) 43.00.064.480—Judicial proceeding	58,000
(40) 43.00.069.475—Attorney fees	135,000
(41) 43.00.125.380—MR representation	75,000
(42) 43.00.130.480—Conservatorship...	69,000
(43) 44.40.103.678—MDSO recommitments	385,000
(44) 54.60.999.001—Detention of minors	66,000
(45) 61.00.028.279—School crossing guards.	8,000
(46) 61.00.049.883—Teachers' Evaluators	600,000
(47) 61.00.089.477—Pupil basic skills ..	5,231,000
(48) 61.00.096.175—Collective bargaining	30,315,000
(49) 61.00.117.677—Immunization records	1,814,000
(50) 61.00.125.375—Disciplinary procedures	6,000
(51) 61.00.134.780—Scoliosis screening..	1,000,000
(52) 63.00.103.679—STRS benefit increase	32,769,000
(53) 63.00.128.680—STRS allowance increase	11,528,000
(54) 68.70.000.184—Health Fee	1,400,000
(55) 81.70.135.776—Guardianship/conservatorship	5,058,000
(56) 81.75.112.377—Adult felony restitution	340,000

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(57) 83.50.156.882—Firefighters' cancer presumption	200,000
(58) 83.50.999.001—Personal alarm devices	188,000
(59) 83.50.999.002—Structural and wildland firefighters' safety clothing	5,000,000
(60) 83 80.084.578—Filipino employee surveys	12,000
(61) 83.80.122.083—Personnel files	28,000
(62) 91.00.124.277—Senior citizens' property tax deferral	220,000
(63) 91.00.128.180—Involuntary lien notices	1,100,000
(64) 91.00.105.183—Mobilehome property tax deferral	12,000
(65) Test Claims and Reimbursement Claims	4,000,000
(66) Implementation of Chapter 1485, Statutes of 1988 Veto Message	44,952,000
(67) Amount payable from the Restitution Fund (Item 8885-101-214).	−443,000

Provisions:

2. Except as provided in Provisions 3, 4, and 5 below, allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of such costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code; and provided further, that audit adjustments to prior year claims may be paid from this item; and provided further that these funds may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
3. The funds appropriated in Schedules 52 and 53 are for transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System for reimbursement of costs incurred pursuant to Chapter 1036, Statutes of 1979 and Chapter 1286, Statutes of 1980.
4. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State

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Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein, except those as provided in Provisions 1 and 2. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.		
5. Notwithstanding any other provision of law to the contrary, the funds appropriated in Schedules 27, 28, 29, and 30 are for transfer to the Public Employees Retirement System for reimbursement of costs incurred pursuant to Chapter 1398, Statutes of 1974, Chapter 1170, Statutes of 1978, Chapter 1036, Statutes of 1979 and Chapter 799, Statutes of 1980.		
6. Pursuant to Section 77203 of the Government Code, the funds provided in this item shall not be used to reimburse counties participating in the Trial Court Funding Program for any state-mandated program for the trial courts. These programs include, but are not limited to, any of the following:		
(a) Compensation of justice court judges (Ch. 1355, Stats. 1976).		
(b) Judicial arbitration (Ch. 743, Stats. 1978).		
(c) San Francisco superior court judgeship (Ch. 1018, Stats. 1979).		
(d) Marriage mediators (Ch. 48, Stats. 1980).		
(e) Judges' per diem (Ch. 1580, Stats. 1984).		
(f) Charging document (Ch. 1111, Stats. 1981).		
8885-101-214—For local assistance, Commission on State Mandates, for payment to Item 8885-101-001, payable from the Restitution Fund, State Controller		443,000
8910-001-001—For support of Office of Administrative Law		2,840,000
Schedule:		
(a) 10—Regulatory Oversight	2,000,000	
(b) 20—Legal Information Services	1,074,000	
(c) 30.01—Administration	954,000	
(d) 30.02—Distributed Administration	−954,000	
(e) Reimbursements	−234,000	

Item		Amount
8915-001-001—For support of Department of Economic Opportunity, for payment to Item 8915-001-890....		87,000
8915-001-890—For support of Department of Economic Opportunity, payable from the Federal Trust Fund.		7,643,000
Schedule:		
(a) 20—Energy Programs	6,093,000	
(b) 30—Special Programs	87,000	
(c) 40—Community Services	1,550,000	
(d) 50.01—Administration	2,882,000	
(e) 50.02—Distributed Administration	−2,882,000	
(f) Amount payable from the General Fund (Item 8915-001-001)	−87,000	
Provisions:		
1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant, as a percentage of the total block grant·		
(a) Administration.....5 percent		
The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.		
2. Notwithstanding Section 16367.5(b) of the Government Code, the office may expend up to 7.5% of the LIHEAP block grant for state administrative costs, adjusted for any allocations made by the Department of Finance for employee compensation and price increases. Any other proposed increase to LIHEAP state administrative costs for the 1989–90 state fiscal year, even if based on a higher, revised grant level and within the 5 percent allowed by Section 16367.5(b), shall be approved pursuant to Section 28.00 of this act and in no event shall result in the office's state administrative costs for LIHEAP exceeding 7.5 percent of the total LIHEAP grant, PVEA funding inclusive.		
8915-011-890—For support of Department of Economic Opportunity, to be transferred to the Department of Social Services, payable from the Federal Trust Fund		(6,340,000)

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8915-101-853—For local assistance, Department of Economic Opportunity, for payment to Item 8915-101-890, payable from the Petroleum Violation Escrow Account		2,000,000
8915-101-890—For local assistance, Department of Economic Opportunity, for assistance to individuals and payments to service providers, payable from the Federal Trust Fund		86,936,000
Schedule:		
(a) 20-Energy Programs	58,966,000	
(b) 40-Community Services	29,970,000	
(c) Amount payable from the Petroleum Violation Escrow Account (Item 8915-101-853)	−2,000,000	

Provisions:

1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant as a percentage of the total block grant:
   (a) Discretionary ..... 5 percent
   (b) Migrant and seasonal farm workers ..... 10 percent
   (c) Native American Indian programs ..... 3.9 percent
   (d) Community action agencies and rural community services .....76.1 percent

   All grantees under the community services block grant program shall be subject to standard state contracting procedures required under the program.
2. The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.
3. Funds collected by the department from energy contractors as a result of overpayments shall be used for local assistance for energy programs, and funds collected from community service block grant (CSBG) contractors as a result of overpayments shall be used for local assistance for CSBG programs in fiscal year 1989–90.
4. Funds scheduled in Item 8915-101-890 may be transferred to Item 8915-001-890 for the administration of the Low Income Home Energy Assistance Programs, subject to approval of the Department of Finance.

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5. The $2,000,000 in Petroleum Violation Escrow Account funds that are included in Program 20 for the Weatherization-LIHEAP Program shall be expended for low income weatherization programs.		
8915-490—Reappropriation, Department of Economic Opportunity. Notwithstanding any other provision of law, the balance remaining of the appropriation provided in the following citation is hereby reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1990, as follows:		
(a) Schedules (a) and (b) of Item 8915-101-890 of the Budget Act of 1988, Energy and CSBG funds.		
8940-001-001—For support of Military Department		21,251,000
Schedule:		
(a) 10-Army National Guard.....	33,912,000	
(b) 20-Air National Guard	8,918,000	
(c) 30.01-Office of the Adjutant General	5,528,000	
(d) 30.02-Distributed Office of the Adjutant General	−5,528,000	
(e) 35-Military Support to Civil Authority.....	169,000	
(f) 40-Military Retirement...	2,108,000	
(g) 50-California Cadet Corps.....	535,000	
(h) 55-State Military Reserve.....	292,000	
(i) 60-Farm and Home Loan	31,000	
(j) 71-California Innovative Military Projects and Career Training.....	2,179,000	
(k) Reimbursements.....	−2,435,000	
(*l*) Amount payable from the Armory Discretionary Improvement Fund (Item 8940-001-485)	−120,000	
(m) Amount payable from the Federal Trust Fund (Item 8940-001-890)	−24,338,000	
Provisions:		
1. No expenditures shall be made from this appropriation as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Adjutant General of the State		

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Military Forces, the California National Guard or the California National Guard Reserve from the federal government.

2. The appropriation for Program 40 shall be for military retirements, in accordance with the provisions of Sections 228 and 256 of the Military and Veterans Code, Military Department.

8940-001-485—For support of the Military Department, for payment to Item 8940-001-001 120,000

Provisions:

1. No expenditures shall be made from this appropriation until sufficient revenues or income from armories have been deposited into the State Treasury to the credit of the General Fund pursuant to the Military and Veterans Code Section 431(c).

8940-001-890—For support of Military Department, for payment to Item 8940-001-001, payable from the Federal Trust Fund 24,338,000

8940-301-036—For capital outlay, Military Department, payable from the Special Account for Capital Outlay..... 484,000

Schedule:

(1) 70.10.010—Statewide-Project planning, working drawings, and supervision of construction financed from federal funds..... 484,000

8940-301-604—For capital outlay, Military Department, payable from the Armory Fund..... 432,000

Schedule:

(1) 70.31.010-Lakeport—Armory —Preliminary plans and working drawings..... 132,000

(2) 70.32.010-Los Angeles North—Armory—Preliminary plans 300,000

Provisions:

1. No expenditures shall be made from category (2) for the Los Angeles North Armory until: (a) all outstanding loans to the Armory Fund have been repaid; and (b) the Legislature has authorized the Military Department to sell an armory that will result in sufficient income to the Armory Fund to support the state's share in the construction of this project.

2. No expenditures shall be made from category (2) for the Los Angeles North Armory until the Adjutant General provides written assurance to

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the chairs of the Joint Legislative Budget Committee and the legislative fiscal committees that the Military Department has acquired, at no cost to the state, real property sufficient to accommodate this project.		
8940-301-890—For capital outlay, Military Department, payable from the Federal Trust Fund		207,000
Schedule:		
(1) 70.31.010-Lakeport-Armory—Preliminary plans and working drawings	57,000	
(2) 70.32.010-Los Angeles North-Armory—Preliminary plans	150,000	
Provisions:		
1. No expenditures shall be made from category (2) until the Adjutant General provides written assurance to the chairs of the Joint Legislative Budget Committee and the legislative fiscal committees that the Military Department has acquired, at no cost to the state, real property sufficient to accommodate this project.		
9100-101-001—For local assistance, Tax Relief		893,105,000
Schedule:		
(a) 10-Senior Citizens' Property Tax Assistance	4,300,000	
(b) 20-Senior Citizens' Property Tax Deferral Program	7,600,000	
(c) 30-Senior Citizen Renters' Tax Assistance	18,600,000	
(d) 50-Homeowners' Property Tax Relief	357,727,000	
(e) 60-Subventions for Open Space	14,600,000	
(f) 80-Renters' Tax Relief	490,000,000	
(g) 90-Substandard Housing	278,000	
Provisions:		
1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.		
Any unexpended balance in Schedule (a) may be used to make payments to senior citizen renter claimants under Schedule (c).		
2. Schedule (b) is for property tax postponement and assistance to claimants in accordance with		

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the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), Division 2 of the Revenue and Taxation Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.

3. Schedule (c) is for property tax assistance to renter claimants in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Any unexpended balance in Schedule (c) may be used to make payments to senior citizen homeowner claimants under Schedule (a).

4. Schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the Constitution, Controller. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the Constitution and the appropriation for the same purposes contained in Section 16100 or Section 16120 of the Government Code.
5. Schedule (e) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code.
6. Schedule (f) is for transfer by the State Controller, as needed, to the Tax Relief and Refund Account, General Fund for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, Franchise Tax Board. It is the intent of

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the Legislature that the credits and refunds shall be provided to all qualified renters, inclusive of those renters claiming the head-of-household filing status whose primary source of income is public assistance.

7. Schedule (g) is for transfer by the State Controller to the Local Agency Code Enforcement and Rehabilitation Fund, for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income as defined in Section 50093 of the Health and Safety Code, to be allocated to local agencies prorated on the basis of their share of disallowed deductions which resulted from the agencies' proceedings.

This amount is in lieu of any statutory requirements.

9210-101-001—For local assistance, Local Government Financing. For assistance to counties, to be allocated using the formulas and definitions specified in Sections 16265.2 and 16265.4(a) of the Government Code, for payment by the Controller upon authorization by the Director of Finance 15,000,000

Provisions:

1. Community mental health costs used pursuant to Government Code Section 16265.2(b) shall be as reported by the State Department of Mental Health to the Department of Finance.
2. Notwithstanding Government Code Section 16265.2(d)(5), permits and licenses shall not be used in determining "general purpose revenues".
3. No allocation shall be made to any county or city and county from this item if the Director of Finance determines that the allocation would cause that county or city and county to have proceeds of taxes in excess of its appropriations limit pursuant to Article XIII B of the California Constitution. County budget data submitted to the State Controller, insofar as it displays the necessary appropriations limit and budget amounts, may be used by the Department of Finance in making this determination.

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9620-001-001—For payment of interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan 1

Provisions:

1. The Director of Finance, the State Controller, and the Treasurer shall satisfy any need of the General Fund for borrowed funds in a manner consistent with the Legislature's objective of obtaining the lowest possible rate of interest on this borrowing. The state fiscal officers shall use external borrowing rather than borrowing from internal state funds whenever it is economically advantageous to the General Fund.
2. In the event that interest expenses related to internal borrowing exceed the amount appropriated in this item, there is hereby appropriated any amounts necessary to pay the interest. Moneys appropriated herein shall not be expended prior to 30 days after the Department of Finance notifies the Joint Legislative Budget Committee of the amount(s) necessary or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee may determine.

9650-001-001—For support of Health Benefits for Annuitants. For the state's contribution for the cost of a health benefits plan and dental care premiums, for annuitants and other employees, in accordance with Sections 22825.7, 22828, 22829 and 22952 of the Government Code, and which is not chargeable to any other appropriation 195,885,000

Schedule:

(a) Health benefit premiums..... 175,244,000
(b) Dental care premiums..... 20,641,000

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.

9800-001-001—For augmentation for Employee Compensation 152,575,000

Schedule:

(a) 10.01—Civil Service Employees —Represented 116,573,550
(b) 10.02—Civil Service Employees —Nonrepresented..... 26,241,650
(c) 10.03—Exempt/Excluded and Other Employees..... 2,902,900

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(d) 10.05—Judiciary	3,369,450	
(e) 10.06—Legislative Employees	3,487,450	

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.
2. The funds appropriated in Schedules (a) to (e), inclusive, are for compensation increases and increases in benefits related thereto, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, other state agencies, the Assembly Committee on Rules, the Senate Committee on Rules, the Joint Rules Committee, the Joint Legislative Audit Committee and the Joint Legislative Budget Committee in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1989, by the Department of Personnel Administration, or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.
3. Funds appropriated in Schedules (a) and (b) for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.

9800-001-494—For augmentation for Employee Compensation payable from other unallocated special funds 63,183,000

Schedule:

(a) 10.01-Civil Service Employees —Represented	50,449,400	

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(b) 10.02-Civil Service Employees —Nonrepresented	11,415,760	
(c) 10.03-Exempt/Excluded and Other Employees	1,317,840	

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.
2. The funds appropriated in Schedules (a) to (c), inclusive, are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to special funds, to receive any such increases provided on or after July 1, 1989, by the Department of Personnel Administration.
3. Funds appropriated in Schedules (a) and (b) for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.

9800-001-988—For augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds 47,469,000

Schedule:

(a) 10.01-Civil Service Employees —Represented	37,904,000
(b) 10.02-Civil Service Employees —Nonrepresented	8,562,500
(c) 10.03-Exempt/Excluded and Other Employees	1,002,500

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall

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not apply to this item.

2. The funds appropriated in Schedules (a) to (c), inclusive, are for compensation increases, increases in benefits related thereto, and other benefits, to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to nongovernmental cost funds, to receive any such increases provided on or after July 1, 1989, by the Department of Personnel Administration.
3. Funds appropriated in Schedules (a) and (b) for employee compensation increases are to be allocated by executive order of the Department of Finance to the several state offices, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.

9810-001-001—For payment of specified attorney fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from the General Fund. . 1,505,000

Provisions:

1. Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.
2. Payments from this item shall only be made for state court actions filed pursuant to Section 1021.5 of the Code of Civil Procedure, the "private attorney general" doctrine, or the "substantial benefit" doctrine. Payments for state court actions shall not exceed a maximum hourly rate of $125.

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3. No payment shall be made by the Controller from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney fees incurred in connection with a single action.
4. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when funds from this item have been exhausted, or when there are insufficient funds to satisfy a claim completely. This report shall list the known unsatisfied claims, and the amount of each of these claims.

9810-001-494—For payment of specified attorney fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from special funds, payable from the appropriate special fund such amounts as may be necessary. 150,000

Provisions:

1. Provisions 1, 2, 3, and 4 of Item 9810-001-001 are also applicable to this item.

9810-001-988—For payment of specified attorney fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from nongovernmental cost funds, payable from the appropriate nongovernmental cost fund such amounts as may be necessary..... 320,000

Provisions:

1. Provisions 1, 2, 3, and 4 of Item 9810-001-001 are also applicable to this item.

9840-001-001—For Reserve for Contingencies or Emergencies..... 1,500,000

Provisions:

1. The funds appropriated for reserve for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.
2. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appro-

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priation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as expenditures incurred in response to conditions of disaster or extreme peril which threaten the health or safety of persons or property within the state.

3. Emergency and contingency expenditure authorizations and deficiency expenditure authorizations shall be limited to purposes which have been specifically approved by the Legislature in Budget Acts or other legislation, except that not more than $200,000 of each fund may be expended for purposes for which no such specific prior authorizations exist.
4. Authorizations for expenditures or deficiency expenditures arising from a contingency shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than such lesser time as the committee, or its designee, may in each instance determine.
5. For expenditure authorizations or deficiency expenditure authorizations arising from an emergency, the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for emergency-related encumbrance or expenditure authorizations stating the reasons for, and the amount of, all such authorizations, except that any emergency augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1989–90 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairperson of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.
6. For purposes for which the Governor previously

Item	Amount
vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.	
9840-001-494—For Reserve for Contingencies or Emergencies, payable from unallocated special funds... Provisions:	1,500,000
1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.	
2. For the Reserve for Contingencies or Emergencies, payable from special funds, there are hereby appropriated from each such special fund such sums as are necessary to meet contingencies, or emergencies, to be expended only on written authorization of the Director of Finance and that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1989–90 fiscal year under the provisions of Section 11006 of the Government Code; provided, that accounts, special accounts, and funds in the General Fund, which are treated as other governmental cost funds for accounting and budgeting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.	
9840-001-988—For Reserve for Contingencies or Emergencies, payable from unallocated nongovernmental cost funds ..... Provisions:	1,500,000
1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.	
2. For Reserve for Contingencies or Emergencies, payable from nongovernmental cost funds, there is hereby appropriated from each such nongovernmental cost fund which is subject to control or limited by this act such sums as are necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance and, that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1989–90 fiscal year under the provisions of Section 11006 of the Government Code.	
9840-011-001—For Reserve for Contingencies or Emergencies (Loans)	(2,500,000)

Item Amount

Provisions:

1. This appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon such terms and conditions for repayment as may be prescribed by the Department of Finance and any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived.
2. No loan shall be made which requires repayment from a future legislative appropriation.
3. Authorizations for loans shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than a lesser time which the committee, or its designee, may in each instance determine, except that this limit shall not apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the loan which, in the judgment of the director, makes prior approval impractical.
4. Within 10 days after approval, the Director of Finance shall file with the Joint Legislative Budget Committee copies of all executive orders for loans stating the reasons for, and the amount of, all of these authorizations.

9840-490—Reappropriation, Reserve for Contingencies or Emergencies. As of June 30, 1989, the balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1988, shall revert to the unappropriated surplus of the General Fund, special funds, and nongovernmental cost funds, respectively.

As of July 1, 1989, the amounts reverted as of June 30, 1989, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1988, are reappropriated and shall be available until June 30, 1990, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within the meaning of said items, occurring during the 1988–89 fiscal year.

Item	Amount
9860-301-036—For statewide capital outlay (10.10.010), payable from the Special Account for Capital Outlay	300,000

Provisions:

1. These funds are to be allocated by the Department of Finance to state agencies to develop design and cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1990–91 or 1991–92 Governor's Budget. The amount appropriated in this item shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.

9860-301-785—For statewide capital outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospitals Grants Program, payable from the 1988 Higher Education Capital Outlay Bond Fund	500,000

Provisions:

1. These funds are to be allocated by the Department of Finance to the University of California, the California State University, the California community colleges, and the California Maritime Academy based on notification of acceptance of grant funding under the Federal Schools and Hospitals Grants Program.
2. The Department of Finance, 30 days prior to allocation of funds appropriated under this item, shall report the proposed allocation to the Chairperson of the Joint Legislative Budget Committee and to the chairperson of the committee in each house which considers appropriations.
3. The funds appropriated in this item shall be available for allocation by the Department of Finance during the 1989–90 fiscal year.

Item	Amount
9860-302-785—Notwithstanding any other provision of law, on June 30, 1989, the State Controller shall transfer the amount of five million eight hundred forty-six thousand dollars ($5,846,000) to the Capital Outlay Fund for Public Higher Education from the 1988 Higher Education Capital Outlay Bond Fund	(5,846,000)

GENERAL SECTIONS
STATEWIDE

SEC. 3.00. Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency, for which such appropriation is made.

Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1989, for the state officers whose salaries are specified by statute.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Whenever herein an appropriation is made in accordance with a schedule set forth after such appropriation, the expenditures from such item for each category, program, or project included in the schedule shall be limited to the amount specified for such category, program, or project, except as otherwise provided in this act. Each such schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to such schedules "category", "program", or "project" means a class of expenditure such as, but not limited to:

(a) "Personal services" which shall include all expenditures for payment of officers and employees of the state; including salaries and wages, workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of the Law in Item 6600-001-001 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract;

(b) "Operating expenses and equipment" which shall include all expenditures for purchase of materials, supplies, equipment, services

(other than services of state officers and employees), departmental services (services provided by other organizational units within a department, including indirect distributed costs) and all other proper expenses;

(c) "Preliminary plans" are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodeling project, the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost, and the nature of the improvement being proposed;

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of such drawings;

(e) "Construction" when used in connection with a capital outlay project shall include all such related things as fixtures, installed equipment, and auxiliary facilities;

(f) "Minor projects" include construction, improvements and equipment projects not specifically set forth in the schedule;

(g) "Programs" include all expenditures, regardless of category, required to carry out the objectives of the named activity.

For the purpose of further interpreting the meaning of the words, terms and phrases, and uniform codes used in such schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1989–90," submitted by the Governor to the Legislature at the 1989 portion of the 1989–90 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The Department of Finance shall establish such interpretations as are necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to whom appropriations are made under this act.

SEC. 3.50. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to the appropriation from which salaries and wages are paid: workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 23000 and 23400 of the Education Code, the state's contribution to the Old Age

and Survivors' Insurance Revolving Fund as provided by Sections 20782 and 20783 of the Government Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund for payment of hospital insurance taxes imposed by the Internal Revenue Code, the state's contribution to the Public Employees' Contingency Reserve Fund, the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code, and the state's contribution for costs of other employee benefits established by any state agency legally authorized to negotiate and set salary and benefit levels.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code and for costs of any other employee benefits established by any state agency legally authorized to negotiate and set salary and benefit levels for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code and by Sections 23000 and 23400 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, contributions required for payment of the hospital insurance tax, and upon certification by the Board of Administration of the Public Employees' Retirement System as required by Section 20754 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions.

SEC. 3.60. (a) Notwithstanding any other provisions of law, the employers' retirement contributions for the 1989–90 fiscal year which are chargeable to an appropriation made in this act, with respect to each state officer and employee who is a member of the Public Employees' Retirement System and who is in such employment or office, including university members as provided by Section 20751 of the Government Code shall be the percentage of employee compensation by state member category as shown:

Miscellaneous, First Tier	13.224%
Miscellaneous, Second Tier	13.218%
State Industrial	16.783%
State Safety	17.424%
Highway Patrol	18.318%
Peace Officer/Firefighter	16.200%

(b) Notwithstanding any other provisions of law, the Department of Finance shall require retirement contributions required pursuant to subdivision (a) to be offset by surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts, for State Safety, State Industrial, and Highway Patrol retirement categories, to the extent that a surplus exists for these categories sufficient to cover required state employer retirement contributions.

To the extent that a surplus exists in these categories after offsetting the state employer contribution, that the employee contribution be offset by these remaining surplus funds contingent upon explicit provisions within the collective bargaining Memorandum of Understanding.

(c) Notwithstanding any other provisions of law, the Department of Finance shall reduce amounts in any appropriation item, or in any category thereof, in this act which are determined to be in excess as a result of a reduction to the employers' contribution for 1989–90 fiscal year retirement benefits, as adopted in subdivision (a) and as further modified in subdivision (b).

The Department of Finance shall certify to the State Controller the amount of the reductions in this act by item and program or category. In addition, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations in this act shall be deemed to be the amounts remaining after the reductions required by this subdivision are made.

SEC. 3.75. Notwithstanding any other provision of law, the Department of Finance may reduce amounts in any appropriation item, or in any category thereof, which are determined to be in excess of the amount required to fund Centrex service costs, as a result of savings achieved through the award of a contract to competitively bid the state's existing Automatic Telecommunications Switching System (ATSS) lines. The Department of General Services shall provide the amounts of these savings by department, board, bureau, commission, or agency, based on telephone billing data, no later than September 1, 1989.

SEC. 4.00. Notwithstanding any other provisions of law, the employer's contributions for the 1989–90 fiscal year, which are chargeable to an appropriation made in this act, with respect to each state officer and employee or an annuitant who was in such employment or office, including an academic position with a California State University or College, or is a survivor of such person, or is an annuitant, shall be $129 for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or $241 for an employee or annuitant so enrolled for self and one family member, or $309 for an employee or annuitant so enrolled for self and two or more family members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefits plan or plans.

SEC. 4.20. (a) Notwithstanding any other provisions of law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22826 of the Government Code, shall be 3.0 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses and the reserve portion of the Public Employees' Contingency Reserve Fund.

SEC. 5.00. (a) No funds appropriated by this act or appropriated under any other statute may be used to pay attorney's fees in actions arising in state courts unless payment of the fees is either:

(1) Specifically authorized and set forth in an item or section of this act; or

(2) Expressly authorized by a statutory provision other than Section 1021.5 of the Code of Civil Procedure.

(b) This section shall not be construed as making an appropriation of funds for the payment of court-awarded attorney's fees.

SEC. 5.10. Notwithstanding any other provision of law, the Restitution Fund shall be used solely for the payment of eligible claims from victims and for administrative costs incurred in this process by the Victims of Crime program. No moneys in the Restitution Fund may be transferred to the General Fund or to any special fund for expenditure in any program not designed to directly assist victims of crime.

SEC. 5.50. The Director of General Services shall report quarterly to the Chairperson of the Joint Legislative Budget Committee approval of any contracts and interagency agreements for consultant or personal services.

SEC. 6.00. No more than $20,000 of the funds appropriated for support purposes under Section 2 of this act may be encumbered for preliminary plans, working drawings or construction of any project for the alteration of a state building unless the Director of Finance determines that the proposed alteration is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed $200,000, and any approved critical project costing more than $20,000, but not greater than $200,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee or his or her designee, not less than 30 days prior to requesting bids for the project. The report shall detail those factors which make the project so critical that it must proceed using support funds.

SEC. 6.50. (a) The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to whom an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category, program, or project designated in any schedule set forth for such appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule. The Department of Finance shall furnish the chairperson of the committee in each house which considers appropriations and the

Chairperson of the Joint Legislative Budget Committee a report on all authorizations given pursuant to this section during the preceding quarter.

(b) Augmentations of amounts available for expenditure for a category, program, or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for such appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule shall not exceed, during any fiscal year:

(1) 20 percent of the amount so scheduled on that line for those support appropriations made herein which are $2,000,000 or less.

(2) $400,000 of the amount so scheduled on that line for those support appropriations made herein which are more than $2,000,000 but equal to or less than $4,000,000.

(3) 10 percent of the amount so scheduled on that line for those support appropriations made herein which are more than $4,000,000.

(4) The Department of Transportation Highway Program shall be limited to a schedule change of 10 percent.

(c) Any transfer in excess of $100,000, and any transfer, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor, may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(d) Any transfer in excess of the limitations provided in paragraph (b) of this section may be authorized only upon approval of the Chairperson of the Joint Legislative Budget Committee.

SEC. 7.50. Whenever an expenditure is authorized from the reserve for contingencies or emergencies, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 8.50. (a) In making appropriations to state agencies which are eligible for federal programs, it is the intent and understanding of the Legislature that applications made by such agencies for federal funds under any such programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government are hereby appropriated from the Federal Trust Fund for expenditure or for transfer to and disbursement from the State Treasury Fund established for the purpose of receiving such federal assistance subject to any provisions of this

act which are applicable to the expenditure of such funds, including Section 28.00.

(b) However, if federal funds for block grant programs assumed by the state are reduced by more than 5 percent of the amount appropriated in this act, the Director of Finance shall notify the chairperson of the committee in each house which considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, in writing within 30 days after notification by the federal government that federal funds have been reduced, and shall include a plan of reduced expenditures for the federal block grant programs affected. The plan shall be operational on an interim basis for up to 45 days pending legislative review, after which time the plan shall become permanent.

(c) In addition, the Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the fiscal committees, within 30 days after notification from the federal government, in the event that federal funds for any item receiving federal funds are reduced by more than 5 percent of the amount appropriated in this act. Notification shall include an estimate of (a) the amount of federal funds available or anticipated, (b) state fiscal year 1989–90 expenditures for each program affected by the reduction, and (c) the effect of reduced funding on service levels authorized by this act.

SEC. 8.51. Each state agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 8.60. The State Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by State Administrative Manual Section 20050—Administration of Federal Pass-through Funds.

No billing may be sent to affected departments sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the amounts specified in the billings.

SEC. 9.00. The Supplemental Report of the Committee on Conference on the Budget Bill, which contains agreed language on statements of intent or requests for studies and which was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1989–90 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1989 and should be interpreted as such by the various agencies of state government affected by the statements contained in the report. The Legislative Analyst shall transmit copies of the report to all agencies to which statements of intent and requests for studies are directed in order that each may be fully informed of the intent of the Legislature.

SEC. 9.20. Notwithstanding Section 15860 of the Government

Code, the amount of funds expended for administrative costs associated with any appropriation contained herein for acquisition of property pursuant to the Property Acquisition Law shall be limited to the amount specified for such costs in the Supplemental Report of the 1989 Budget Act. Amounts for administrative costs may be augmented by no more than 5 percent by the State Public Works Board. Notwithstanding the foregoing, any amounts needed for administrative costs associated with acquisition through the condemnation authority of the State Public Works Board shall be provided through augmentation of the affected appropriations as authorized by existing law.

SEC. 9.50. For minor capital outlay projects for which, pursuant to Section 10108 of the Public Contract Code, the services of the Department of General Services are not required and a state agency or department is authorized to carry out its own project, the amount of the unencumbered balances of the project shall be determined in accordance with Section 14959 of the Government Code. Upon receipt of bids for the project, an estimate of the amount necessary for the completion of the project, including supervision, engineering, and other items, if any, shall be deemed a valid encumbrance and shall be included with any other valid encumbrance in determining the amount of an unencumbered balance.

SEC. 10.00. Upon release of the report of the Asbestos Assessment Task Force required by Chapter 116 of the Statutes of 1986, all state agencies, the University of California, the California State University, and community colleges involved in asbestos removal work shall review the recommendations of the task force and implement them to the extent appropriate and within the available funding appropriated for asbestos control.

SEC. 11.50. (a) Notwithstanding any other provision of law, no allocations shall be made pursuant to subdivision (b), (c), (d), (e), (f), (g), or (h) of Section 6217 of the Public Resources Code for the 1989–90 fiscal year.

(b) Notwithstanding any other provision of law, no transfer to the Roberti-Z'Berg-Harris Open-Space and Recreation Program Account from the Special Account for Capital Outlay in the General Fund shall be made pursuant to Section 5624.5 of the Public Resources Code for the 1989–90 fiscal year.

(c) Notwithstanding any other provision of law, no allocation to the Fisheries Restoration Account in the Fish and Game Preservation Fund shall be made pursuant to subdivision (a) of Section 6217.1 of the Public Resources Code for the 1989–90 fiscal year.

(d) Notwithstanding any other provision of law, the amount of forty-four million one hundred nine thousand dollars ($44,109,000) shall be allocated to the General Fund for the 1989–90 fiscal year from tidelands oil revenues otherwise subject to Section 6217 of the Public Resources Code.

SEC. 11.51. The Director of Finance may allocate funds among

the Energy and Resources Fund; the Energy Account, Energy and Resources Fund; and the Resources Account, Energy and Resources Fund.

SEC. 11.55. The State Controller may transfer funds between the Outer Continental Shelf Land Act Section 8(g) Revenue Fund and that portion of the Federal Trust Fund which was utilized from the 1985–86 fiscal year to the 1988–89 fiscal year, inclusive, for the receipt of moneys pursuant to a settlement regarding Section 8(g) of the Outer Continental Shelf Land Act.

SEC. 11.81. Notwithstanding any other provision of law, on June 30, 1989, the State Controller shall transfer six million six hundred seventy-seven thousand dollars ($6,677,000) to the General Fund from the Public Facilities and Local Agency Disaster Response Account.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations limit" of twenty-nine billion three hundred eighteen million dollars ($29,318,000,000) for the 1989–90 fiscal year. Any judicial action or proceeding to attack, review, set aside, void or annul the "appropriations limit" for the 1989–90 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. (a) There is hereby appropriated from the General Fund for transfer to the Special Fund for Economic Uncertainties by the Controller, upon order of the Director of Finance, an amount necessary to bring this special fund up to the amount stated in the Final Change Book for the 1989–90 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1989. The amount so transferred shall be reduced by the amount of excess revenues subject to Section 2 of Article XIII B of the California Constitution, as determined by the Director of Finance.

(b) For the purpose of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations shall be deemed limited to the lesser of the following amounts:

(1) The amounts stated in this act or

(2) The amount encumbered or expended as of June 30, 1989, against each appropriation. The amount of the appropriations expended or encumbered shall be determined on the basis of the State of California Preliminary Annual Report—Accrual Basis. Any subsequent adjustments shall be determined jointly by the Controller and the Director of Finance.

(c) Of the amount appropriated to the Special Fund for Economic Uncertainties, the Director of Finance may allocate a sufficient amount, not to exceed $10,000,000, to the Department of Forestry and Fire Protection for emergency fire suppression for the 1989–90 fiscal year.

(d) Of the amount appropriated to the Special Fund for Economic Uncertainties, the Director of Finance may allocate a suffi-

cient amount, not to exceed $20,000,000, for emergency or disaster response operation costs incurred by state or local agencies for the 1989–90 fiscal year. These allocations would be made as a result of a state of emergency proclamation by the Governor.

SEC. 12.31. There is hereby appropriated from the General Fund a contingency expenditure of $250,000,000 reserved for subsequent appropriation by the Legislature to augment Items 6110-198-001 and 6870-198-001 for deficiencies and other educational purposes. Funds appropriated by this section shall not be further appropriated prior to June 15, 1990, unless appropriated by a statute chaptered on or before July 15, 1989. No amount shall be appropriated from this section that would cause the state to exceed the minimum funding level required by Proposition 98, the Classroom Instructional Improvement and Accountability Act.

SEC. 12.50. (a) The contingency reserve for economic uncertainties established within each special fund by Section 12.35 of the Budget Act of 1981 is hereby continued in existence. These reserves represent reserve funds within the meaning of Section 5 of Article XIII B of the California Constitution.

(b) There is hereby appropriated from each reserve account in each special fund, an amount sufficient to fund any appropriation made by this act or other statute from the fund in which the reserve account is established.

(c) There is hereby appropriated on June 30, 1990, the unappropriated balance in each special fund to the reserve account in that special fund.

SEC. 13.00. Notwithstanding any other provisions of law, expenditures under Item 0160-001-001 of this act or any appropriation in augmentation of such item shall be exempt from the provisions of Chapter 7 (commencing with Section 11700) of Part 1 of, Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of, the Government Code, Division 2 (commencing with Section 10100) of the Public Contract Code, subdivision (a) of Section 713 of Title 2 of the California Administrative Code and Section 5.50 of this act, and may be expended as set forth in the Governor's Budget, or for such other purposes, including expenditures for such number of positions in various classifications as may be authorized by the Joint Committee on Rules.

Notwithstanding any other provisions of law, the unencumbered balances as of June 30, 1989, of the appropriations made by Items 0160-001-001 and 8840-001-001 of the Budget Act of 1988 are reappropriated and shall be available for encumbrance until June 30, 1990, for the same programs and purposes for which appropriations for these items have been made by this act.

RESOURCES

SEC. 18.10. (a) No expenditure from an appropriation made by

this act to the Department of Parks and Recreation shall be made to modify, execute, or approve an operating lease or an operating agreement with any local entity or any nonprofit corporation, unless either of the following has occurred:

(1) The Legislature has reviewed the lease or agreement as part of the support or capital outlay budget of the Department of Parks and Recreation and expressed approval of the expenditure from an appropriation made by this act through the supplemental language report.

(2) The State Public Works Board has approved the lease, or has approved an agreement not sooner than 20 days after the Director of Finance has provided written notification to the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Assembly Ways and Means Committee, and the Chairperson of the Senate Budget and Fiscal Review Committee, and upon a determination by the board that the proposal could not have reasonably been presented to the Legislature through the annual budget process.

(b) The Department of Parks and Recreation shall include with the proposed lease or agreement sufficient documentation to enable the Legislature, or the board, as the case may be, to evaluate fully the estimated operating costs and revenues and all terms upon which the lease or agreement is proposed to be entered into. Specifically, the documentation shall identify: (1) any anticipated costs to the state for operation or development under the agreement and the anticipated state share of total operation and development costs; and (2) the anticipated annual revenues, net of operation costs, for the unit and the state's share of these revenues.

(c) Agreements or amendments to existing agreements shall be exempt from subdivisions (a) and (b) when all of the following conditions exist:

(1) The agreement or amendment thereto involves operation of only a portion of a unit of the State Park System.

(2) The term of the agreement is for a period of 20 years or less.

(3) The anticipated annual revenue for the unit, including concessions revenue, is $250,000 or less.

(4) The agreement involves no significant change in state operational funding or staffing levels, and does not include present or future state expenditures for development of the unit.

HEALTH AND WELFARE

SEC. 22.00. (a) The sum of twenty-eight million three hundred thousand dollars ($28,300,000) is hereby appropriated from the General Fund for transfer by the Controller, upon order of the Director of Finance, to the Department of Social Services, the State Department of Education, or other appropriate agencies that have demonstrated that additional resources are necessary to implement the Greater Avenues for Independence (GAIN) program pursuant to

Chapter 1025 of the Statutes of 1985. Allocations made pursuant to this section shall be subject to Section 28.00 of this act.

(b) In order to receive funding under this section: (1) school districts operating adult education programs shall certify to the Superintendent of Public Instruction that they have fully utilized their average daily attendance authorized for funding during the 1989–90 fiscal year, under Section 52616 of the Education Code, as well as any funds reallocated by the superintendent pursuant to subdivision (d) of Section 52616 of the Education Code; (2) school districts and county offices of education operating regional occupational programs shall certify to the Superintendent of Public Instruction that they have fully utilized allocations made pursuant to Item 6110-102-001; and (3) community college districts receiving funds under this section shall certify to the Chancellor of the California Community Colleges that they have fully utilized allocations made pursuant to Section 84710 of the Education Code. Funds shall be allocated to community college districts from this section prior to allocation of any funds being transferred pursuant to Section 84707 of the Education Code.

(c) The funds appropriated by this section shall be allocated in accordance with the following schedule:

(1) Community colleges	$7,900,000
(2) Department of Education	13,500,000
(3) Other appropriate agencies	6,900,000

The Director of Finance may transfer funds among the categories in the schedule above.

(d) Any funding allocated to the Chancellor's office of the California Community Colleges, or the Superintendent of Public Instruction, for apportionment to community college districts or local education agencies for additional average daily attendance (ADA) may, notwithstanding any other provision of law, be apportioned on an advance basis to community college districts or local education agencies, based on expected units of ADA if a prior application for the additional ADA funding has been approved by the chancellor or the Superintendent of Public Instruction. The chancellor or superintendent, shall, at the time of the annual apportionment, reduce funding by the corresponding amount to any district or local education agency receiving funds affected by this provision and which fails to generate certified levels of ADA.

(e) Of the funds appropriated in paragraph (3) of subdivision (c), up to $2,400,000 shall be allocated to the State Department of Education and/or the Chancellor's Office of the California Community Colleges, upon order of the Director of Finance, if additional resources are necessary to implement the GAIN program.

(f) Of the funds allocated to the State Department of Education pursuant to this section, $175,000 shall be transferred for expenditure for activities of the Statewide Resource and Referral Network to conduct a survey. On or before April 15, 1990, the Network shall provide

the results of the survey to the State Department of Education and to the Department of Social Services. Reduction of the $175,000 amount shall occur if it is determined that any of the activities to be funded therefrom may be claimed for federal reimbursement under the Family Support Act.

(g) Of the funds appropriated in this section, $3,000,000 shall be transferred to the State Department of Education for the sole purpose of providing the General Fund match for federal Job Training Partnership Act 8 percent discretionary funds carried forward from the 1988–89 fiscal year and used to provide basic education for GAIN clients. If additional federal funds are carried forward from the 1988–89 fiscal year, the State Department of Education shall be required to use the Section 28.00 review and approval process to secure any additional General Fund match.

(h) Item 5180-155-001 shall be the sole source of funding for GAIN case management services in Los Angeles County. No other item in this act shall be used for that purpose.

SEC. 22.50. Except as otherwise provided in subdivision (b), the sum of $557,834,000 is hereby appropriated from the Cigarette and Tobacco Products Surtax Fund to the Controller for allocation pursuant to subsequent legislation. These funds shall not be available if funds for the Medically Indigent Services Program are reduced below 1988–89 levels. Allocations made pursuant to this section shall be allocated in accordance with the following schedule:

(a) The sum of $107,628,000 is appropriated from the Hospital Services Account to the Controller, to be distributed pursuant to legislation.

(b) The sum of $100,000,000 is appropriated to the State Department of Health Services from the Hospital Services Account. The department shall allocate the funds appropriated in this paragraph to counties for reimbursement of trauma and emergency medical services in private and public facilities in accordance with the provisions of law governing the Cigarette and Tobacco Products Surtax Fund. This paragraph shall become operative on October 1, 1989, unless legislation which provides for the expenditure of Cigarette and Tobacco Products Surtax funds of at least $100,000,000 for emergency and trauma care services in private and public facilities is chaptered before October 1, 1989, and, in that case, this subdivision shall not become operative.

(c) The sum of $59,323,000 is appropriated from the Physician Services Account to the Controller, to be distributed pursuant to legislation.

(d) The sum of $175,583,000 is appropriated from the Health Education Account to the Controller, to be distributed pursuant to legislation.

(e) The sum of $115,300,000 is appropriated from the Unallocated Account to the Controller, to be distributed pursuant to legislation.

SEC. 23.50. (a) (1) The sum of five hundred ninety-seven mil-

lion five hundred fourteen thousand dollars ($597,514,000) is hereby appropriated upon receipt from California's allocation of Federal State Legalization Impact Assistance Grant (SLIAG) funds which were appropriated by Congress in Section 204 of the Federal Immigration Reform and Control Act (IRCA) of 1986. These funds shall be transferred by the Controller, upon order of the Director of Finance, to the appropriate administering department.

(2) The amount appropriated by this section shall be allocated in accordance with the following schedule:

(A) Public Health, $21,407,000:	
(1) TB/Leprosy Control	$609,000
(2) Sexually Transmitted Disease	1,024,000
(3) Immunizations	179,000
(4) Perinatal Services	1,062,000
(5) Adolescent Family Life Program	710,000
(6) IRCA Subvention	13,900,000
(7) Public Health Administration	2,123,000
(8) Family Planning	1,800,000
(B) Public Assistance, $300,811,000:	
(1) General Assistance	$7,234,000
(2) Foster Care	2,657,000
(3) AFDC-FC/U	2,938,000
(4) SSI/SSP	4,524,000
(5) Food Stamps (SAWS)	600,000
(6) Housing	4,030,000
(7) In-Home Supportive Services	220,000
(8) Medi-Cal	31,111,000
(9) California Children's Services	355,000
(10) Medically Indigent Services Program	208,866,000
(11) County Medical Services Program	4,000,000
(12) Primary Care Clinics	23,123,000
(13) Mental Health	6,000,000
(14) Housing and Community Development Administration	329,000
(15) Department of Social Services Administration	866,000
(16) Department of Mental Health Administration	326,000
(17) Department of Health Services Administration	2,241,000
(18) Health and Welfare Agency Administration	1,361,000
(19) Auditor General Administration	30,000
(C) Education, $275,296,000:	
(1) Adult Education (English as a Second Language and Civics)	$271,293,000
(2) K–12	1,400,000

(3) State Department of Education and California Community College Chancellor's Office Administration 2,603,000

(b) Notwithstanding Sections 6.50, 8.50, and 28.00 of this act, the following provisions shall govern the augmentation and reduction of the amounts available for expenditure for any category or program in the schedule set forth in this item, and the transfers of funds among categories in the schedule set forth in this item:

(1) The Director of Finance may not authorize the augmentation of the total amount available for expenditure in the schedule set forth for appropriation in this item to reflect any available SLIAG funds which he or she determines have not been taken into consideration in the schedule or are in excess of the amount so taken into consideration, except as follows:

(A) The Director of Finance may allocate the balance of any remaining funds authorized for expenditure by Section 14.00 of the Budget Act of 1987 or Section 23.50 of the Budget Act of 1988 for any other category or program in the schedule set forth for appropriation in this item. These transfers may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(B) The Director of Finance may authorize the expenditure of any available SLIAG funds which he or she determines have not been taken into consideration in the schedule or are in excess of the amount so taken into consideration, if the director determines that the state's total five-year allocation exceeds $1,700,000,000 and that the additional expenditures can be sustained over the duration of the five-year expenditure plan within the revised estimate of SLIAG allocations. These additional expenditures may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(2) The Director of Finance may authorize the further aug-

mentation of the amount available for expenditure for any category or program in the schedule set forth for appropriation in this item for increases in the level of service due to increased caseload, utilization, or cost per unit of service. These augmentations may be authorized pursuant to the provisions of paragraph (4). The Director of Finance may not authorize the augmentation of the amount available for expenditure from SLIAG funds for new program activities not identified in the schedule set forth in this item.

(3) The Director of Finance may also reduce the amount available for expenditure for any category or program in the schedule set forth for appropriation in this item for reductions in the level of service due to decreased caseload, utilization, or cost per unit of service. These reductions may be authorized pursuant to the provisions of paragraph (4). The Director of Finance may not authorize the elimination of the expenditure from SLIAG funds for program activities identified in the schedule set forth in this item.

(4) The Director of Finance may authorize the augmentation or reduction of the amount available for expenditure for a category or program designated in the schedule set forth for such appropriation in this item by transfer from or transfer to any of the other designated categories within this item for the purposes stated in paragraphs (2) and (3). This authorization is limited to transfers of funds between programs within the same category (i.e., within public health, within public assistance, or within education). These transfers may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. Transfers of SLIAG funds between categories may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

(c) To the maximum extent possible, public assistance and public health programs shall use existing delivery mechanisms, funding mechanisms and service providers to deliver services or benefits to newly legalized persons.

(d) Those funding mechanisms which currently allocate resources on the basis of the general population of the respective counties

shall be interpreted to refer to the number of newly legalized persons in each county insofar as allocation of the SLIAG apportionment is concerned. Other funding mechanisms which may use variables different than population shall similarly be interpreted to utilize such variables only as they apply to newly legalized persons.

(e) It is intended that all SLIAG reimbursable costs shall be identified to ensure that California's allotment of federal SLIAG funds is maximized. Departments shall authorize service providers to claim SLIAG funds using a method of cost calculation allowable under federal SLIAG regulations which minimizes the under identification of all SLIAG reimbursable costs. The method of cost calculation which can be used may include, but shall not be limited to, the use of a statistically valid sample of a provider's caseload, or, for public health programs, the ratio of newly legalized persons in a service population to all members of the relevant service population.

(f) The Health and Welfare Agency and administering departments, including the Department of Education, shall take the steps necessary to subrogate to the providers of service, the financial liability for inappropriate expenditure or nonuse of federal funds. Whenever current program requirements do not specify such responsibility, the appropriate state agency shall enter into agreements with providers calling for their acceptance of financial responsibility in return for allocation of funds by the state. Funds shall not be allocated to any provider by administering departments absent acceptance of financial responsibility for audit exceptions by the provider.

(g) The general assistance program will remain the responsibility of the counties in which the newly legalized persons reside. The State Department of Social Services shall provide necessary oversight and shall allocate funds for newly legalized persons through the system which allows counties to claim general assistance funds for refugees. All preliminary allocations shall be adjusted on the basis of actual caseload experience to the extent funds are available.

(h) Records of services provided to newly legalized persons will be kept at the local level except for those programs that use central fiscal intermediary functions to process claims. Individual programs will require periodic reports from providers and will provide their managing state departments with summary data at quarterly intervals. The managing departments and the Health and Welfare Agency will track the provision and cost of services to newly legalized persons.

(i) K–12 education services shall be limited to those newly legalized children who meet the requirement of the Federal Emergency Immigration Act of having had less than three years of education in the United States. In accordance with federal SLIAG reg-

ulations, the Superintendent of Public Instruction shall allocate such funds, upon application by local school districts, to those districts that are highly impacted by the number of newly legalized children.

(j) The Department of Education shall distribute adult education SLIAG funds to community colleges, local school districts, and community based organizations—including qualified designated entities authorized to provide educational services by the Immigration and Naturalization Service regulations—in accordance with an IRCA Adult Education Services Delivery Plan (AESDP). This plan shall be developed by the Department of Education in consultation with representatives of the different service provider groups, and shall be provided to the Director of Finance by September 15, 1989. Prior to allocation of any SLIAG funds to the Department of Education, the AESDP shall be approved by the Director of Finance.

(k) The Adult Education Services Delivery Plan shall specify:

1. The process for tracking SLIAG funds to newly legalized persons,
2. That the maximum average reimbursement per newly legalized person participating in educational services shall be the lesser of (a) the service hours provided multiplied by the statewide average revenue limit for K–12 adult education programs computed on an hourly basis, plus funding for those ancillary services specified in paragraph (2) of subdivision (s); or (b) $500 per newly legalized person per year. However, providers of educational services shall not be reimbursed for amounts that exceed their actual costs of providing services;
3. Appropriate guarantees or safeguards that the $500 dollar limit shall not be exceeded;
4. The requirement that INS approve individual providers to issue certificates of satisfactory pursuit, as a condition of their receiving SLIAG funds;
5. How community-based organizations and qualified designated entities may receive SLIAG educational funds in an expeditious and timely manner, while guaranteeing that appropriate standards of educational quality and fiscal accountability are maintained;
6. The appropriate division of responsibility between local school districts and the community colleges, including a reiteration of legislative intent that, notwithstanding Section 8530 of the Education Code, school and community college districts which do not currently provide adult education and noncredit instruction are eligible to participate in this program;
7. The appropriate division of responsibility between the Department of Education and the chancellor's office of the

community colleges;

8. That a score of 215 on the Comprehensive Adult Student Assessment System (CASAS) test equates to a newly legalized person being able to demonstrate proficiency in English for the purposes of converting from temporary to permanent residency status. Educational services also may be provided to newly legalized persons scoring at or above the CASAS 215 level prior to their conversion to permanent residency. However, providers of educational services must target services first to those pre-1982 individuals scoring below the CASAS 215 level and then secondly to Special Agricultural Workers (SAWs) or to those pre-1982 individuals scoring at or above this level.

   The State Department of Education shall submit quarterly reports to the Health and Welfare Agency, detailing the aggregate claims for reimbursement for adult education services, the total number of newly legalized persons served, the number of certificates of satisfactory pursuit issued by SLIAG-participating providers, and the number of pre-1982 individual and SAW's served, including individuals served who do not need an educational service to convert to permanent residency. Subsequent quarterly reports shall provide data about the activities of the reporting quarter, and also add this data to the cumulative running total for adult education activities; and

9. K–12 school districts and community colleges shall not receive General Fund apportionments for services provided to newly legalized persons where reimbursement for such services has been provided from SLIAG funds.

(*l*) The Health and Welfare Agency shall oversee outreach activities targeted to newly legalized persons. The outreach efforts shall cover, to the extent SLIAG reimbursement is allowed:

1. Information on the requirements for change in status from temporary legal resident to permanent legal resident, including information on the specific requirements and guidelines for courses of study for English language and civics instruction as established by the Immigration and Naturalization Service (INS), and how and where to obtain such education services.
2. Information about employment, health, welfare, and education program services available, the importance of identifying oneself as a newly legalized person to providers of these services, the potential adverse consequences of using specific services on conversion to permanent residency, and how to obtain help in dealing with the legalization process.
3. The identification of deterrent factors and program areas in which basic needs of newly legalized persons are not being met to the extent allowable by federal law.

The Health and Welfare Agency shall have the discretion to utilize up to $900,000 in funds for these comprehensive, coordinated outreach activities, and to distribute these funds to participating state departments and other organizations based on what it determines is necessary to accomplish the objectives of the outreach program. To the extent feasible, contracting outreach entities shall subcontract with community-based organizations and qualified designated entities providing health and education services. In addition, of this amount, $250,000 shall be available for additional outreach workers providing face-to-face or other outreach efforts, through subcontracts or any other means, to community-based organizations providing health and education services.

(m) Each state department which receives or administers SLIAG funds shall make available, where necessary, through existing programs, technical assistance and training to service providers. Technical assistance may include proposal preparation, information and training in cost tracking and identification systems, accounting procedures and program accountability, reimbursement claim preparation, and identification procedures for newly legalized persons. The departments shall ensure that this assistance is allowable under federal SLIAG regulations and guidelines. The departments may provide this technical assistance directly through existing programs or through contracts with individuals or organizations having expertise in program areas and the provisions of the SLIAG program, and may implement this technical assistance through any of the following:

(1) Local or regional or statewide workshops.
(2) Identification of model programs.
(3) Onsite consultation.
(4) Statewide training/association activities.

Departments shall disseminate information to SLIAG service providers on or before September 15, 1989, advising them on opportunities to participate in the provisions of technical assistance, when that is appropriate.

(n) Primary care clinics may participate in established public health program contracting processes in order to be reimbursed from other funding sources. The Department of Health Services shall coordinate its various public health contracting programs to allow eligible primary care clinics to apply for provider status in public health programs as appropriate.

(o) The Department of Education, in providing administrative oversight of SLIAG programs, shall assist community-based organizations in establishing educational programs for newly legalized persons, in locating credentialed instructors and in obtaining in-service training.

(p) (1) All entities providing English-as-a-Second-Language (ESL)

classes to newly legalized persons shall employ at least one teacher/coordinator who holds a certificate or credential recognized by the appropriate credentialing agency as an indicator of the teacher's ability to teach in a language development program. All other individuals who teach ESL classes shall:

(A) Hold a bilingual education or language development specialist certificate issued by the appropriate credentialing agency; or

(B) Be credentialed and have successfully completed college coursework or training in ESL.

(2) When no teacher meeting the above criteria is available for placement, individuals who meet any of the following criteria and agree to participate in mandatory, concurrent training in ESL may be hired. Eligible candidates include individuals who:

(A) Are not credentialed, but have ESL college coursework or training; or

(B) Have established proven experience of not less than 6 months of successful direct ESL instruction with any age group.

(q) (1) Under the direction of the Health and Welfare Agency, the administering state departments shall develop and implement data collection, claims review, and auditing standards and criteria by November 15, 1989, to ensure that providers comply with federal documentation requirements and meet state and federal reporting and auditing needs. Particular emphasis shall be placed on adult education and indigent health services data reporting, claims review, and auditing. Notwithstanding any other provisions of law, the administering state departments may adopt emergency regulations if needed for the purposes of developing and implementing the requirements of this subdivision.

The Health and Welfare Agency shall provide information to the legislative fiscal committees and Joint Legislative Budget Committee by January 15, 1990, on claims and reimbursements in each specific line-item of programs funded under IRCA. This information shall address the following for each fiscal year:

(A) Each program's standards and policy for reviewing and paying claims for reimbursement.

(B) The documentation required by each program for claims review, and the results of each program's evaluation of this documentation.

(C) Each program's policy for recouping excess reimbursements from service providers.

(D) For each program, the average length of time between receipt of claims and the submission of these

claims to the Controller's Office.

(2) The office of the Auditor General shall evaluate the results of the administering departments' data collection, claims review, and auditing efforts, and shall report on its findings to the legislative fiscal committees and Joint Legislative Budget Committee by June 1, 1990. Their report shall include:

(A) An evaluation of whether each program's data collection, claims review, and auditing procedures comply with federal documentation requirements and meet state and federal reporting and auditing needs.

(B) An assessment of subparagraphs (A) through (D), inclusive, of paragraph (1) and of paragraph (4), for each program funded under IRCA.

(3) (A) Counties which claim SLIAG funds for indigent health services based on the documentation of services provided to individual eligible legalized aliens, to the extent SLIAG funds are allowable and to the extent this information is not now available, shall implement, by the end of the 1990–91 state fiscal year, the Medically Indigent Care Reporting System, as defined by the State Department of Health Services. This system shall provide, at a minimum:

(B) Specific patient identification and linkage to incurred costs for the five service categories below:

(i) Inpatient services rendered to newly legalized persons and associated costs.

(ii) Outpatient services and associated costs.

(iii) Emergency and associated costs.

(iv) Pregnancy-related services and associated costs.

(v) Contract services and associated costs.

(4) (A) Counties which claim SLIAG funds for medically indigent health services based on statistically valid sampling shall submit their sampling plan, inclusive of all methodologies and protocols, to the Department of Health Services for review and approval. Prior to this approval, the state department shall submit the sampling plan to the United States Department of Health and Human Services for review and comment. Any such approval by the state department shall categorically include the federal comments and shall be contingent thereon. Approval of a sampling plan shall in no way set aside the requirement for subrogation of financial liability for inappropriate expenditure or nonuse of funds contained in subdivision (f). Nothing in this subdivision shall be construed to preclude the state department from disapproving a sampling plan for cause.

(B) The size and scope of the sample population shall be sufficient to obtain reliable data on all of the following:
(i) Inpatient services rendered to newly legalized persons and associated costs.
(ii) Outpatient services and associated costs.
(iii) Emergency services and associated costs.
(iv) Contract services and associated costs.

(5) Counties shall have the option of utilizing either of the methods described in paragraphs (3) and (4) for claiming SLIAG funds for indigent health services.

(6) The State Department of Health Services, in consultation with the Health and Welfare Agency, shall inform counties concerning the extent to which SLIAG funds may be used to design, develop, implement, and maintain data collection and auditing systems, and shall monitor county implementation of the Medically Indigent Care Reporting System (MICRS). Counties shall submit an implementation plan to the department no later than six months after receipt of written federal assurance that costs incurred in the design, development, and implementation of MICRS are reimbursable using SLIAG funds. Counties shall have an appropriate patient identification system in place no later than eight months after receipt of this written assurance.

(s) (1) The State Department of Education (SDE) shall establish a funding allotment for each approved adult education SLIAG provider, so that the statewide total of these allotments does not exceed the amount scheduled in item (1) of subparagraph (C) of paragraph (2) of subdivision (a). This amount includes any additional amount made available for adult education. The SDE shall take all steps necessary to ensure that the total statewide level of 1989–90 fiscal year claims does not exceed the amount of funding available. The SDE shall adjust individual allotments at least once per semester, but also periodically as deemed necessary, to reflect updated estimates of enrollment and funding available. The SDE shall also apportion at least 10 percent of the appropriation to a reserve pending the midyear adjustment or adjustments.

(2) For the purpose of determining each provider's funding allotment, the SDE shall calculate an amount for each provider based on the following list of priorities. The calculation shall commence with subparagraph (A) for all providers statewide, and shall proceed until the total amount of funding made available for this purpose has been exhausted:

(A) 100 hours of instruction for each pre-1982 individual in need of a certificate of satisfactory pursuit, and not previously enrolled for 60 hours or meeting alternative

means of demonstrating satisfactory pursuit. The SDE's calculation shall be based on the department's estimates of the number of these individuals in each county, minus estimates of the number of those individuals receiving non-SLIAG funded services. Funding associated with these individuals shall be prorated among providers within each county based on the discretion of the Superintendent of Public Instruction, but primarily based on 1988–89 enrollment counts.

(B) An allowance for administrative and ancillary services, based on: (i) 20 percent of the statewide average revenue limit for K–12 adult education programs computed on an hourly basis, multiplied by the number of hours of service approved pursuant to subparagraphs (A) and (C), except that this amount shall be based on 30 percent of the statewide average revenue limit in severely underserved geographic areas as defined in subdivision (t); or (ii) $75 per individual served. Providers utilizing state apportionment funding to serve newly legalized aliens may apply for an allotment for ancillary services, based on the equivalent number of hours that would have been approved pursuant to subparagraphs (A) and (C) if the provider had applied for full federal funding. Funding authorized pursuant to this subdivision may be used for allowable ancillary costs, including assessment, administration, educational counseling, staff training, recordkeeping, facility rental, child care, transportation, curriculum development, and outreach. Reimbursement shall not exceed actual costs.

(C) Additional hours for English and civics instruction for pre-1982 individuals and Special Agricultural Workers (SAW's), at the discretion of the Superintendent of Public Instruction.

(t) For the purpose of initiating new programs or expanding existing ones, the State Department of Education shall consider a geographic area as severely underserved when:

(1) There are 50 or more priority individuals, as defined in subdivision (u), who are living in the geographic area and who need enrollment in an ESL/civics class in order to successfully apply for lawful permanent residency; and

(2) There are no ESL/civics class programs approved by the United States Department of Justice to issue certificates of satisfactory pursuit in the geographical area, or all existing classes in the geographical area have waiting lists of six months or longer enrollment backlog; and

(3) It is more than 40 miles, or one-hour's travel time (one way), between the underserved area and the nearest ESL/

civics provider which will have sufficient vacant class slots within the next six months.

(u) (1) Priority students for educational services are defined as persons who are applicants for permanent residence pursuant to Section 245A of the Immigration Reform Control Act of 1986 (P.L. 99-603), who score below a level of 215 on the standardized Comprehensive Adult Student Assessment System (CASAS) or a correlative score on any other standardized literacy test approved by the Superintendent of Public Instruction, or who have failed the legal proficiency test administered by the Immigration and Naturalization Service (INS) or its designated agencies, and who have not yet demonstrated that they are "satisfactorily pursuing" English and United States civics, as defined in paragraph (s) of Part 245a.1 of Title 8 of the Code of Federal Regulations and cannot qualify for any alternatives to demonstrating satisfactory pursuit other than enrolling in an adult education program.

(2) As a condition of receiving funds, educational service providers shall maintain waiting lists of prospective students eligible under the State Legalization Impact Assistance Grant (SLIAG) program identified by adjustment status pursuant to Sections 210 and 245A of Public Law 99-603. The waiting lists shall specify: (1) each individual's status (Pre-1982 or SAW); (2) CASAS score (when assessed); and (3) whether the individual was previously enrolled for the purposes of meeting INS requirements, qualifies for any alternatives to demonstrating satisfactory pursuit, or has passed the legal proficiency test administered by the INS (or its designated agencies), has failed this test, or has qualified for a certificate of satisfactory pursuit.

(3) In addition, at the end of each quarter or semester, including the summer quarter or semester, providers shall reenroll all SLIAG-funded individuals, vacancies permitting. At these times, or any other time when a vacancy arises, providers shall enroll students based on the following priorities:

(A) Priority students scoring below 215 CASAS, or who have failed an INS-approved proficiency test, in need of 60 hours of instruction in order to obtain a certificate of satisfactory pursuit and who do not qualify for any of the alternative means of demonstrating satisfactory pursuit.

(B) Students scoring 215 CASAS or above who do not qualify for any of the alternative means of demonstrating satisfactory pursuit, but who reside 40 miles or more from an INS test center (or one hour travel time, one way), and who are in need of 60 hours of instruction in

order to obtain a certificate of satisfactory pursuit.

(C) Students scoring below 215 CASAS who: (i) have qualified for a certificate of satisfactory pursuit; or (ii) are SAW's.

(D) Students scoring 215 CASAS or above and previously enrolled and not in need of a certificate of satisfactory pursuit.

(E) Students scoring 215 CASAS or above and not previously enrolled and not in need of a certificate of satisfactory pursuit.

(4) Providers shall schedule future dates on which priority individuals on waiting lists can enroll and on which other students shall reenroll, and shall inform individuals on waiting lists of these dates at the time they are included on the lists.

(5) For any given semester, providers who certify to the superintendent that there are no priority students on their waiting lists are exempt from the reenrollment requirements for that semester.

(6) If the State Department of Education has determined that a SLIAG-funded education agency has provided an average of over 100 hours of instruction at the end of the first semester, and the provider has a waiting list with priority students subsequent to enrolling second (Spring) semester students, the State Department of Education shall instruct that provider to reenroll all SLIAG funded students during the second semester once the average hours of instruction reaches 60 hours. Reenrollment shall be based on the priorities as set forth in paragraph (3).

(7) The State Department of Education shall issue guidelines defining the maximum number of weeks allowable in a given semester or quarter.

(8) This subdivision shall apply notwithstanding any provision of the Education Code or any other provision of law.

(v) It is the intent of the Legislature that educational service providers encourage individuals scoring above 210 CASAS to take the Immigration and Naturalization Services proficiency test before enrolling in adult education classes. The SDE shall notify providers of this policy.

(w) In the event that Senate Bill 109 of the 1989–90 Regular Session is chaptered, the amount scheduled in item (1) of subparagraph (c) of paragraph (2) of subdivision (a) shall be reduced by $50,000,000, or by any other amount appropriated by the measure.

(x) Educational providers receiving SLIAG funds shall report to the State Department of Education, no later than November 1, 1989, the following information by category (pre-1982, SAW, below or above 215 CASAS): the number of individuals served, the number still on waiting lists, the number of certificates of sat-

isfactory pursuit issued, and any other data deemed necessary by the State Department of Education and the Health and Welfare Agency for making midyear allotment adjustments.

(y) The aggregate allotments made to all participating community colleges pursuant to subparagraphs (A), (B), and (C) of paragraph (2) of subdivision (s), plus a proportional amount of the funds reserved for the midyear adjustment required by paragraph (1) of subdivision (s), shall be considered a program appropriation, just as if it were separately scheduled under subparagraph (C) of paragraph (2) of subdivision (a). The State Department of Education, in consultation with the Chancellor's office and the Department of Finance, shall have the authority to adjust the amounts allocated to individual community college districts. However, should these adjustments either augment or reduce the total amount of funds available to community colleges, these adjustments shall only be authorized subject to the legislative notification procedure set forth in paragraphs (2), (3), and (4) of subdivision (b).

(z) The State Department of Education shall establish a statewide advisory council of community-based organizations, qualified designated entities, adult education providers, and community college providers to assist the department in the coordination of administrative, reimbursement, and funding allocation processes, outreach, and technical assistance efforts.

(za) The State Department of Education shall develop a SLIAG Program Operations Manual for local educational providers which shall provide instructions on preparing program applications, establishing cost accounting procedures, identifying and explaining allowable expenditures, explaining applicable federal rules and regulations governing SLIAG program operations, and filing reimbursement claims. This manual shall be ready for distribution by October 31, 1989.

(zb) The Health and Welfare Agency shall conduct directly, or through subcontractors, a supplemental needs survey to identify service needs of newly legalized persons, if the Health and Welfare Budget Subcommittees, upon their review of the 88/89 Needs Assessment, determine that additional data are needed in order to assist in the SLIAG allocation budgeting process.

In the event that a supplemental needs assessment is required, both subcommittees shall jointly direct the Health and Welfare Agency in writing as to the additional information required and the requested completion date.

(zc) All contracts and agreements involving the State Legalization Impact Assistance Grant (SLIAG) Fund shall require both contracting parties to maintain confidentiality of all beneficiary information relating to immigration sta-

tus. The contracts shall specify that this information shall not be released to the United States Immigration and Naturalization Service, or to any other agency, without the beneficiary's consent, unless this release is required by state or federal law.

EDUCATION

SEC. 24.00. For the 1989–90 fiscal year, the oil and mineral revenues from federal lands which are deposited in the State School Fund shall be divided between Section A and Section B of the State School Fund, with 85 percent of these revenues to be credited to Section A of the fund exclusively for K–12 district regular apportionments and 15 percent to Section B of the fund exclusively for community college regular apportionments. The amounts accruing to the State School Fund under this section shall be disbursed fully before any General Fund transfers to Section A or Section B of the State School Fund are disbursed for regular apportionments.

SEC. 24.10. Notwithstanding the provisions of Section 1464 of the Penal Code, added by Chapter 530, Statutes of 1980, and Section 41304 of the Education Code, the State Controller shall transfer the unencumbered balance in the Driver Training Penalty Assessment Fund on June 30, 1990, to the General Fund.

SEC. 24.50. (a) Since 1932, early childhood education and development programs have been operated as part of the school programs under the authority of the Superintendent of Public Instruction.

(b) The Legislature has stated its intent that these programs be a "concomitant part of the educational system" by providing young children an equal opportunity for later school success.

(c) Participation and enrollment in a child development program provides an opportunity for many children to hear their first English words (one in three speaks another language), to be introduced to the idea of numbers, to develop basic language concepts, to learn how to get along with other children and adults, and to begin to develop a positive self-image.

(d) In the 1988–89 fiscal year, 110,000 children in California were served in early childhood education programs administered by the Superintendent of Public Instruction. Those programs are considered by the general public to be an integral and essential part of the state's public education system.

(e) Early childhood education programs for children of low-income families have been shown to increase high school graduation rates and college entry rates, to reduce the need for special education and grade level retention, and to reduce high school dropout rates.

(f) In the state's early childhood education and development programs, each child is to receive an education program which is appropriate to his or her developmental, cultural, and linguistic needs. Each child is to receive a developmental profile, updated at regular

intervals, which will be passed on to his or her elementary school, along with immunization records.

(g) It is the intent of the Legislature that funding for the state's early childhood education and development programs be considered "moneys applied by the State for the support of school districts and community college districts" for purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution, so that they will be afforded the protection which Proposition 98 provides education programs generally and which, if not provided for early childhood education and development programs, would likely result in less than adequate funding for these programs.

(h) For the period from the 1986–87 fiscal year to the present, the state's early childhood education and development programs have received funding adjustments for cost-of-living and enrollment increases that have been lower than the comparable adjustments for base revenue limits for school districts.

However, it is the intent of the Legislature that the inclusion of early childhood education and development programs within the calculation of the state's education funding obligation pursuant to Proposition 98 not make up for the historically lower level of funding received by these programs, nor result in a state spending obligation pursuant to the provisions of the proposition that exceeds the State General Fund cost of providing these programs with prospective cost-of-living and enrollment increases, because such excess funding, if provided, would adversely impact other General Fund supported programs which desperately need additional funds.

Thus, it is further the intent of the Legislature that the calculation of the state's funding pursuant to paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution for the 1989–90 fiscal year, and each fiscal year thereafter, exclude the additional amount which would result from the inclusion of early childhood education and development programs in the calculation of the state's education funding pursuant to Proposition 98, to the extent that additional amount exceeds the level of state funding for those programs during the 1989–90 fiscal year, including funding for cost-of-living and enrollment increases.

SEC. 24.60. From the funds appropriated in Items 4300-003-814, 5460-001-814, 6110-101-814, 6440-001-814, 6600-001-814, 6610-001-814, 6860-001-814, and 6870-101-814 of this act, the Department of Developmental Services, the Department of the Youth Authority and the local education agencies through the Superintendent of Public Instruction, the State Special Schools, Regents of the University of California, Directors of Hastings College of the Law, Trustees of the California State University system, Board of Governors of the California Maritime Academy, and community college districts through the chancellor shall report to the Governor and the Legislature no later than January 15, 1991, the amount of lottery funds which each entity received and the purposes for which the funds were expended in the

1989–90 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for the 1990–91 fiscal year. If applicable, the amount of lottery funds received on the basis of adult education ADA and the amount of lottery funds expended for adult education shall be reported.

SEC. 26.60. Notwithstanding any other provision of law, 30 days prior to the Department of Food and Agriculture's entering into interim financing or long-term financing, including bond agreements, pursuant to Article 9 (commencing with Section 19590) of Chapter 4 of Division 8 of the Business and Professions Code, the department shall submit a report to the Chairperson of the Joint Legislative Budget Committee with copies to the Chairpersons of Senate Budget and Fiscal Review Subcommittee Number 2, Assembly Ways and Means Subcommittee Number 3, the Senate Select Committee on Fairs and Rural Issues, and the Subcommittee on Fairs and Expositions of the Assembly Committee on Agriculture. The report shall list: (a) proposed individual satellite wagering expansion projects at fairs, (b) costs for constructing, operating, and maintaining individual satellite wagering projects, (c) net revenue projections for individual satellite wagering projects, and (d) projected effect on net Satellite Wagering Account revenue resulting from individual satellite wagering projects and satellite wagering related projects. Additional notification is not required for financing proposals unless refinancing will result in the expenditure of additional funds, in which case the report shall include the above-requested information relating only to the new debt. Reporting shall not be required for health and safety projects funded by interim financing or long-term financing, including bond agreements.

SEC. 27.00. (a) Approval by the Department of Finance to the creation of deficiencies pursuant to Section 11006 or approval to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall not be made unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and chairperson of the committee in each house which considers appropriations not later than 30 days prior to the effective date of the approval, except for an approval for an emergency expenditure or an approval which is due to caseload increases in Medi-Cal, Aid to Families with Dependent Children (AFDC), and Supplemental Security Income/State Supplementary Program (SSI/SSP). All notifications shall include (1) the date a deficiency request was received by the Department of Finance, (2) the reason for the proposed deficiency, and (3) the approved amount.

(b) Approval for any emergency expenditure shall be made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations not later than 10 days after the effective date of the approval. All notices shall state the reason for and amount of the deficiency.

As used in this section, "emergency expenditure" means an expenditure incurred in response to conditions of disaster or extreme peril which threaten the health or safety of person or property within the state.

(c) The Department of Finance shall report quarterly to the Chairperson of the Joint Legislative Budget Committee and the fiscal committee of each house on the cumulative deficiency requests approved pursuant to subdivisions (a) and (b). The report shall contain the information required in subsections (1), (2), and (3) of subdivision (a). This report shall be filed within 15 days after the close of each fiscal quarter.

(d) The Department of Finance shall provide copies of all requests from agencies to spend at rates which will result in a deficiency appropriation to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations. The department shall submit these copies within 10 days of receipt. The transmittal of this information to the Legislature shall not be construed by the requesting agency as approval of the deficiency request.

(e) For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.

SEC. 28.00. (a) The Director of Finance may authorize the augmentation of the amount available for expenditure for any category or program in the schedule set forth for any appropriation in this act or any additional category or program in the amount of any funds which he or she estimates will be received by an officer, department, division, bureau, or other agency during the 1989–90 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature or from any other source which he or she determines has not been taken into consideration in the schedule or is in excess of the amount so taken into consideration.

(b) The Director of Finance may also reduce any category or program whenever he or she determines that funds to be received will be less than the amount taken into consideration in the schedule.

(c) The following augmentations or reductions may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine:

(1) Augmentations or reductions which either are (a) in excess of $100,000 or (b) are in excess of 10% of the amount available for expenditure in the affected category or program.

(2) Any other augmentations which the Director of Finance determines constitute an increase in the level of services above that au-

thorized by this act or other existing law or are for a new program not identified in this act as such.

(3) Any other reductions which the Director of Finance determines constitute a decrease in the level of service below that authorized by this act or other existing law.

(4) Any augmentation, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor.

(5) Any reduction in excess of 5% of the amount available for expenditure for any program funded from the Cigarette and Tobacco Products Surtax Fund.

(d) Any personnel action which is dependent on funds subject to the provisions of this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section too late for inclusion in the Governor's Budget for the 1990–91 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1991.

(e) All authorizations reported or requested under the provisions of this section shall include all of the following:

(1) A description of the proposed expenditure and identification of the statutory authority for the expenditure.

(2) A determination whether the expenditure, if federally funded, is specifically designed to be one-time, a continuing federal obligation, or one that the state is required (or expected) to fund at some future date.

(3) A determination whether the expenditure, if federally funded, supplements or replaces existing state expenditures.

(4) A determination whether the expenditure has previously been considered at some point in the legislative process and has been denied; and, if denied, for what reasons.

(f) All increased expenditures from department indirect cost funds in excess of the amount budgeted in this act or identified in a prior Section 28 notification are subject to the reporting requirements of this section.

SEC. 29.00. The Department of Finance shall calculate and publish a listing of total personnel-years and estimated salary savings for each department and agency. These listings shall be published by the Department of Finance at the same time as the publication of (a) the Governor's Budget, (b) the May revision and (c) the Final Change Book.

(a) The listing provided at the time of the publication of the Governor's Budget shall contain estimates of personnel-years for the prior year, current year, and budget year.

(b) The listing provided at the time of publication of the May revision shall contain estimates of personnel-years proposed for the budget year.

(c) The listing provided at the time of the publication of the Final

Change Book shall contain estimates of personnel-years for the budget year just enacted.

SEC. 30.00. Section 13340 of the Government Code is amended to read:

13340. On and after July 1, 1990, no moneys in any fund which, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

SEC. 31.00. The appropriations under this act, unless otherwise provided, shall be subject to the provisions of Section 13320 of the Government Code and Article 2.5 (commencing with Section 13332) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

The fiscal year budget shall authorize in such manner as the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

The Director of Finance, or his or her authorized designee, shall notify the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step of $2,904 per month. He or she shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

All positions administratively established pursuant to this section during the 1989–90 fiscal year shall terminate on June 30, 1990, except for those positions which have been (a) included in the 1990–91 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1990–91 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1990–91 fiscal year, provided these positions are shown in the 1991–92 proposed Governor's Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided that these positions do not result in establishment of positions deleted by the Legislature through the 1990–91 budget process.

Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. A copy of this document shall be submitted to the Department of Finance upon request. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the ex-

penditures and accrued obligations for salaries and wages chargeable to the allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for expenditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. This transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

No money in any 1989–90 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other employee compensation action(s) unless the Department of Finance certifies to the salary and other compensation-setting authority prior to the adoption of these action(s) that funds are available to pay the increased salary or employee compensation resulting therefrom. Prior to certification, the Department of Finance shall determine whether this increase in salary range or employee compensation action will require supplemental funding in the 1990–91 fiscal year. If the Department of Finance determines that supplemental funding will be required, no certification shall be issued unless notification in writing is given by the Department of Finance, at least 30 days before certification is made, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the joint committee, or his or her designee, determines.

A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that these expenditures comply with the provisions of this section.

Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 32.00. The officers of the various departments, boards, commissions and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of such appropriations, except the consent of the Department of Finance be first obtained, and a certificate, in writing, duly signed by the director of said department, of the unavoidable necessity of such expenditure; and any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void; and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of any such department, board, commission or in-

stitution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable both personally and on his or her official bond for the amount of such indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to whom such indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the committee in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the particular appropriation.

SEC. 33.00. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34.00. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 35.00. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the Constitution of the State of California, take effect immediately.

SEC. 36.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act makes appropriations and contains related provisions for support of state and local government for the 1989–90 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that these appropriations be available for expenditure commencing not later than July 1, 1989. It is therefore necessary that the act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

Department	Organization Code
"A"	
Accountancy, Board of	1120
Acupuncture Examining Committee	1400
Administrative Law, Office of	8910
Aerospace Commission, California	1108
Aging, Commission on	4180
Aging, Department of	4170
Agricultural Labor Relations Board	8300
Air Resources Board	3400
Alcohol and Drug Programs, Department of	4200
Alcoholic Beverage Control, Department of	2100
Alcoholic Beverage Control Appeals Board	2120
Alternative Energy Source Financing Authority, California	0971
Animal Health Technician Examining Committee	1570
Architectural Examiners, Board of	1130
Arts Council, California	8260
Assembly (See Legislature)	0120
Assistance to Counties for Defense of Indigents	8160
Athletic Commission	1140
Attorney Fees, Payment of Specified	9810
Auctioneer Commission, California	8540
Auditor General, Office of the	0155
Automotive Repair, Bureau of	1150
"B"	
Banking Department, State	2140
Barber Examiners, Board of	1160
Behavioral Science Examiners, Board of	1170
Block Grant for Trial Court Funding, State	0450
Boards. See subject (e.g., Air Resources, Control, etc.)	
Boating and Waterways, Department of	3680

Department	Organization Code
Business, Transportation and Housing, Secretary for...	0520

"C"

California/Mexico Affairs, Office of	0580
Cemetery Board	1180
Certified Shorthand Reporters Board	1520
Child Development Programs Advisory Committee.	4220
Chiropractic Examiners, Board of	8500
Coastal Commission, California	3720
Coastal Conservancy, State	3760
Collection and Investigative Services, Bureau of	1200–1210
Colorado River Board of California	3460
Commerce, Department of	2200
Community Colleges, Board of Governors of the California	6870
Conservation, Department of	3480
Conservation Corps, California	3340
Consumer Affairs, Department of	1655
Consumer Services, Division of	1640
Contingencies or Emergencies, Reserve for	9840
Contractors State License Board	1230
Contributions to. See subject (e.g., Judges' Retirement, Teachers' Retirement, etc.)	
Control, Board of	8700
Controller, State	0840
Corporations, Department of	2180
Corrections, Board of	5430
Corrections, Department of	5240
Cosmetology, Board of	1240
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Criminal Justice Planning, Office of	8100

"D"

Debt Advisory Commission, California	0956
Debt Limit Allocation Committee, California	0959
Dental Examiners, Board of	1260–1270
Department of. See subject (e.g., Corrections, Food and Agriculture, etc.)	
Developmental Disabilities, Area Boards on	4110
Developmental Disabilities, State Council on	4100
Developmental Services, Department of	4300
Dispensing Opticians, Board of Medical Quality Assurance	1390

Department	Organization Code
"E"	
Economic Development, Commission for	8200
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Education, Department of	6100
Education, Department of (Headquarters)	6110
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Electronic and Appliance Repair, Bureau of	1280
Emergency Medical Services Authority	4120
Emergency Services, Office of	0690
Employee Compensation, Augmentation for	9800
Employment Development Department	5100
Energy, California Business and Industrial Development Corporation, State Assistance Fund for	3300
Energy Resources Conservation and Development Commission, State	3360
Equalization, State Board of	0860
Exposition and State Fair, California	8560
"F"	
Fair Employment and Housing Commission	1705
Fair Employment and Housing, Department of	1700
Fair Political Practices Commission	8620
Finance, Department of	8860
Fire Marshal, Office of the State	1710
Fish and Game, Department of	3600
Food and Agriculture, Department of	8570
Forestry and Fire Protection, Department of	3540
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Funeral Directors and Embalmers, Board of	1330
"G"	
General Services, Department of	1760
Geologists and Geophysicists, Board of Registration for	1340
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"H"	
Hastings College of the Law	6600
Health and Welfare, Secretary for	0530
Health and Welfare Agency Data Center	4130
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Health Services, Department of	4260

Department	Organization Code
Hearing Aid Dispensers Examining Committee	1410
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Home Furnishings, Bureau of	1360
Homicide Trials, Payments to Counties for Costs of	8180
Horse Racing Board, California	8550
Housing and Community Development, Department of	2240
"I"	
Industrial Development Financing Advisory Commission, California	0965
Industrial Relations, Department of	8350
Institutions (See Department of Corrections, Department of Health, etc.)	
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"J"	
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Judges' Retirement Fund, Contributions to	0390
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"L"	
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Law Revision Commission, California	8830
Legislative Counsel Bureau	0160
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"M"	
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Medical Quality Assurance, Board of	1390–1460
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Mortgage Bond and Tax Credit Allocation Committee	0968
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Department	Organization Code
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Physician's Assistant Examining Committee	1430
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Public Employment Relations Board	8320
Public Utilities Commission	8660

Department	Organization Code
"R"	
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Registered Nursing, Board of	1510
Rehabilitation, Department of	5160
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Resources, Secretary for	0540
Resources Programs, Special	3110
Respiratory Care Examining Committee	1455
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Salaries of Trial Court Judges	0420
San Francisco Bay Conservation and Development Commission	3820
Santa Monica Mountains Conservancy	3810
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School Facilities Aid Program	6350
Secretary of State	0890
Seismic Safety Commission	3580
Self-Esteem, and Personal and Social Responsibility, California Task Force to Promote	0994
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Student Aid Commission	7980
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Veterans' Home of California	1970
Veterinary Medicine, Board of Examiners in	1560–1570
Vocational Education, California State Council on	6320
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Water Resources Control Board, State	3940
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Youth Authority, Department of	5460
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INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and restrictions on the appropriations contained herein.

1.00 Budget Act Citation
1.50 Intent and Format
2.00 Appropriations
3.00 Defines terms
3.50 Benefit Charges against Salaries and Wages
3.60 Contribution to Public Employees' Retirement Benefits
3.75 Centrex Service Costs
4.00 Health Benefits Contribution
4.20 Contribution to Public Employees' Contingency Reserve Fund
5.00 Attorneys Fees
5.10 Restitution Fund Expenditure Restricted to Victims of Crime Program
5.50 Contract Approvals
6.00 Alterations limits
6.50 Intraschedule transfers
7.50 Appropriation Augmentations
8.50 Federal Funds Receipts
8.51 Federal Funds Accounts
8.60 Federal Pass-Through Funds
9.00 Supplemental Report of Conference Committee
9.20 Administrative Costs associated with the acquisition of property
9.50 Capital Outlay Projects
10.00 Asbestos Assessment Task Force
11.50 Transfers pursuant to Section 6217 of the Public Resources Code
11.51 Energy-related Fund Transfers
11.55 Transfers between the Outer Continental Shelf Land Act Section 8(g) Revenue Fund and Federal Trust Fund
11.81 Transfer from Public Facilities and Local Agency Disaster Response Account to General Fund
12.00 State Appropriations Limit (SAL)
12.30 Special Fund for Economic Uncertainties
12.31 Education Contingency Expenditures
12.50 Special Funds Reserves
13.00 Legislative Counsel Bureau
18.10 Lease agreements of Department of Recreation and Parks
22.00 Set-aside Appropriation for Future GAIN Expenditures
22.50 Medically Indigent Services Program
23.50 Immigration Reform and Control Act (IRCA)
23.80 State Prison at Corcoran
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24.10 Transfer Surplus of Driver Training Penalty Assessment Fund to the General Fund
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27.00 Deficiency Reporting Requirements
28.00 Program Change Notification
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33.00 Item Veto Severability
34.00 Constitutional Severability
35.00 Provides that Budget Act is for Usual and Current Expenses
36.00 Urgency Statute
99.00 Alphabetical Organization Index
99.50 Numerical Control Section Index

CHAPTER 94

An act to amend Section 17913 of the Business and Professions Code, relating to fictitious name statements, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17913 of the Business and Professions Code is amended to read:

17913. (a) The fictitious business name statement shall contain all of the information required by this subdivision and shall be substantially in the following form:

FICTITIOUS BUSINESS NAME STATEMENT

The following person (persons) is (are) doing business as
* _____
at ** _____:
*** _____
_____
_____
_____

This business is conducted by **** _____
The registrant commenced to transact business under the fictitious business name or names listed above on
***** _____
Signed _____
Statement filed with the County Clerk of _____ County on _____

NOTICE—THIS FICTITIOUS NAME STATEMENT EXPIRES FIVE YEARS FROM THE DATE IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED BEFORE THAT TIME. THE FILING OF THIS STATEMENT DOES NOT OF ITSELF AUTHORIZE THE USE IN THIS STATE OF A FICTITIOUS BUSINESS NAME IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER FEDERAL, STATE, OR COMMON LAW (SEE SECTION 14400 ET SEQ., BUSINESS AND PROFESSIONS CODE).

(b) The statement shall contain the following information set forth in the manner indicated in the form provided by subdivision (a):

(1) Where the asterisk (*) appears in the form, insert the fictitious

business name or names. Only those businesses operated at the same address may be listed on one statement.

(2) Where the two asterisks (**) appear in the form: If the registrant has a place of business in this state, insert the street address of his or her principal place of business in this state. If the registrant has no place of business in this state, insert the street address of his or her principal place of business outside this state.

(3) Where the three asterisks (***) appear in the form: If the registrant is an individual, insert his or her full name and residence address. If the registrant is a partnership or other association of persons, insert the full name and residence address of each general partner. If the registrant is a business trust, insert the full name and residence address of each trustee. If the registrant is a corporation, insert the name of the corporation as set out in its articles of incorporation and the state of incorporation.

(4) Where the four asterisks (****) appear in the form, insert whichever of the following best describes the nature of the business: (i) "an individual," (ii) "a general partnership," (iii) "a limited partnership," (iv) "an unincorporated association other than a partnership," (v) "a corporation," (vi) "a business trust," (vii) "copartners," (viii) "husband and wife," (ix) "joint venture," or (x) "other—please specify."

(5) Where the five asterisks (*****) appear in the form, insert the date on which the registrant first commenced to transact business under the fictitious business name or names listed, if already transacting business under that name or names. If the registrant has not yet commenced to transact business under the fictitious business name or names listed, insert the statement, "Not applicable."

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to conform the fictitious business name statement form as soon as possible to the requirements of Chapter 501 of the Statutes of 1988, which became effective January 1, 1989, it is necessary that this act take effect immediately.

CHAPTER 95

An act to amend Section 23790 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 7, 1989. Filed with Secretary of State July 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 23790 of the Business and Professions Code is amended to read:

23790. No retail license shall be issued for any premises which are located in any territory where the exercise of the rights and privileges conferred by the license is contrary to a valid zoning ordinance of any county or city. Premises which had been used in the exercise of those rights and privileges at a time prior to the effective date of the zoning ordinance may continue operation under the following conditions:

(a) The premises retain the same type of retail liquor license within a license classification.

(b) The licensed premises are operated continuously without substantial change in mode or character of operation.

For purposes of this subdivision, a break in continuous operation does not include:

(1) A closure for not more than 30 days for purposes of repair, if that repair does not change the nature of the licensed premises and does not increase the square footage of the business used for the sale of alcoholic beverages.

(2) The closure for restoration of premises rendered totally or partially inaccessible by an act of God or a toxic accident, if the restoration does not increase the square footage of the business used for the sale of alcoholic beverages.

CHAPTER 96

An act to amend Section 2937 of the Civil Code, relating to mortgages and deeds of trust, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2937 of the Civil Code is amended to read:

2937. (a) The Legislature hereby finds and declares that borrowers or subsequent obligors have the right to know when a

person holding a promissory note, bond, or other instrument transfers servicing of the indebtedness secured by a mortgage or deed of trust on real property containing one to four residential units located in this state. The Legislature also finds that notification to the borrower or subsequent obligor of the transfer may protect the borrower or subsequent obligor from fraudulent business practices and may ensure timely payments.

It is the intent of the Legislature in enacting this section to mandate that a borrower or subsequent obligor be given written notice when a person transfers the servicing of the indebtedness on notes, bonds, or other instruments secured by a mortgage or deed of trust on real property containing one to four residential units and located in this state.

(b) Any person transferring the servicing of indebtedness as provided in subdivision (a) to a different servicing agent and any person assuming from another responsibility for servicing the instrument evidencing indebtedness, shall give written notice to the borrower or subsequent obligor before the borrower or subsequent obligor becomes obligated to make payments to a new servicing agent.

(c) In the event a notice of default has been recorded or a judicial foreclosure proceeding has been commenced, the person transferring the servicing of the indebtedness and the person assuming from another the duty of servicing the indebtedness shall give written notice to the trustee or attorney named in the notice of default or judicial foreclosure of the transfer. A notice of default, notice of sale, or judicial foreclosure shall not be invalidated solely because the servicing agent is changed during the foreclosure process.

(d) The notices required by subdivision (b) shall be sent by first-class mail, postage prepaid, to the borrower's or subsequent obligor's address designated for loan payment billings, or if escrow is pending, as provided in the escrow, and shall contain each of the following:

(1) The name and address of the person to which the transfer of the servicing of the indebtedness is made.

(2) The date the transfer was or will be completed.

(3) The address where all payments pursuant to the transfer are to be made.

(e) Any person assuming from another responsibility for servicing the instrument evidencing indebtedness shall include in the notice required by subdivision (b) a statement of the due date of the next payment.

(f) The borrower or subsequent obligor shall not be liable to the holder of the note, bond, or other instrument or to any servicing agent for payments made to the previous servicing agent or for late charges if these payments were made prior to the borrower or subsequent obligor receiving written notice of the transfer as provided by subdivision (d) and the payments were otherwise on time.

(g) For purposes of this section, the term servicing agent shall not include a trustee exercising a power of sale pursuant to a deed of trust.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Thousands of loans secured by residential real property are being made on a daily basis throughout this state which are subject to Section 2937 of the Civil Code, as enacted by Chapter 1190 of the Statutes of 1988. Borrowers, lenders, and servicing agents are uncertain as to specific notice requirements and definitions of key terminology contained in Section 2937 of the Civil Code. In order to prevent unnecessary confusion and potential loss of rights as to the servicing of these loans by both borrowers and lenders, it is necessary that this act take effect immediately.

CHAPTER 97

An act to add Chapter 1.5 (commencing with Section 900) to Division 2 of the Business and Professions Code, relating to healing arts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1989. Filed with Secretary of State July 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that a major earthquake or other major disaster could overwhelm the response capabilities of California health care practitioners to provide services needed by the population.

Although existing statutory provisions appear to provide an answer to the problem, there is a need to ensure clarity when an emergency is duly proclaimed.

Enactment of this legislation will give the Emergency Medical Services Authority the ability to assure that any request for outside assistance from health care practitioners is necessary, well organized, and properly assigned and deployed according to need.

SEC. 2. Chapter 1.5 (commencing with Section 900) is added to Division 2 of the Business and Professions Code, to read:

CHAPTER 1.5. EXEMPTION FROM LICENSURE

900. (a) Nothing in this division applies to a health care practitioner licensed in another state or territory of the United States who offers or provides health care for which he or she is licensed, if

the health care is provided only during a state of emergency as defined in subdivision (b) of Section 8558 of the Government Code, which emergency overwhelms the response capabilities of California health care practitioners and only upon the request of the Director of the Emergency Medical Services Authority.

(b) The director shall be the medical control and shall designate the licensure and specialty health care practitioners required for the specific emergency and shall designate the areas to which they may be deployed.

(c) Health care practitioners shall provide, upon request, a valid copy of a professional license and a photograph identification issued by the state in which the practitioner holds licensure before being deployed by the director.

(d) Health care practitioners deployed pursuant to this chapter shall provide the appropriate California licensing authority with verification of licensure upon request.

(e) Health care practitioners providing health care pursuant to this chapter shall have immunity from liability for services rendered as specified in Section 8659 of the Government Code.

(f) For the purposes of this chapter, "health care practitioner" means any person who engages in acts which are the subject of licensure or regulation under this division or under any initiative act referred to in this division.

(g) For purposes of this chapter, "director" means the Director of the Emergency Medical Services Authority who shall have the powers specified in Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

There is no clear exemption from the licensure provisions of Division 2 of the Business and Professions Code for licensed, out-of-state health care practitioners to offer and provide health care or health-related services during a declared state of emergency or disaster in this state. Since it may be necessary at any time to request the services of health care practitioners who are licensed in sister states or in territories of the United States to assist as part of a response to a major emergency or disaster occurring in this state, their exemption from this state's licensure requirements in these circumstances should be immediately clarified.

CHAPTER 98

An act to amend Sections 22005 and 24005 of the Financial Code, relating to loans.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22005 of the Financial Code is amended to read:

22005. "Charges" do not include any of the following:

(a) Commissions received as a licensed insurance agent or broker in connection with insurance written as provided in Section 22458.

(b) Amounts not in excess of the amounts specified in subdivision (c) of Section 3068 of the Civil Code paid to holders of possessory liens, imposed pursuant to Chapter 6.5 (commencing with Section 3067) of Title 14 of Part 4 of Division 3 of the Civil Code, to release motor vehicles which secure loans subject to this division.

(c) Court costs, excluding attorney's fees, incurred in a suit and recovered against a debtor who defaults on his or her loan.

(d) Fees paid to a licensee for the privilege of participating in an open-end credit program, which fees are to cover administrative costs and are imposed upon executing the open-end loan agreement and on annual renewal dates or anniversary dates thereafter.

(e) Amounts received by a licensee from a seller, from whom the borrower obtains money, goods, labor, or services on credit, in connection with a transaction under an open-end credit program which are paid or deducted from the loan proceeds paid to the seller at the direction of the borrower and which are an obligation of the seller to the licensee for the privilege of allowing the seller to participate in the licensee's open-end credit program. Amounts received by a licensee from a seller pursuant to this subdivision may not exceed 6 percent of the loan proceeds paid to the seller at the direction of the borrower.

(f) Actual fees not exceeding two hundred fifty dollars ($250) paid in connection with the repossession of a motor vehicle to repossession agencies licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code provided the licensee complies with Sections 22465 and 22465.5.

(g) Moneys paid to, and commissions and benefits received by, a licensee for the sale of goods, services, or insurance, whether or not the sale is in connection with a loan, that the buyer by a separately signed authorization acknowledges is optional, if sale of the goods, services, or insurance has been authorized pursuant to Section 22404.

SEC. 2. Section 24005 of the Financial Code is amended to read:

24005. "Charges" do not include any of the following:

(a) Commissions received as a licensed insurance agent or broker

in connection with insurance written as provided in Section 24458.

(b) Amounts not in excess of the amounts specified in subdivision (c) of Section 3068 of the Civil Code paid to holders of possessory liens, imposed pursuant to Chapter 6.5 (commencing with Section 3067) of Title 14 of Part 4 of Division 3 of the Civil Code, to release motor vehicles which secure loans subject to this division.

(c) Court costs, excluding attorney's fees, incurred in a suit and recovered against a debtor who defaults on his or her loan.

(d) Fees paid to a licensee for the privilege of participating in an open-end credit program, which fees are to cover administrative costs and are imposed upon executing the open-end loan agreement and on annual renewal dates or anniversary dates thereafter.

(e) Amounts received by a licensee from a seller, from whom the borrower obtains money, goods, labor, or services on credit, in connection with a transaction under an open-end credit program which are paid or deducted from the loan proceeds paid to the seller at the direction of the borrower and which are an obligation of the seller to the licensee for the privilege of allowing the seller to participate in the licensee's open-end credit program. Amounts received by a licensee from a seller pursuant to this subdivision may not exceed 6 percent of the loan proceeds paid to the seller at the direction of the borrower.

(f) Actual fees not exceeding two hundred fifty dollars ($250) paid in connection with the repossession of a motor vehicle to repossession agencies licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code provided the licensee complies with Sections 24465 and 24465.5.

(g) Moneys paid to, and commissions and benefits received by, a licensee for the sale of goods, services, or insurance, whether or not the sale is in connection with a loan, that the buyer by a separately signed authorization acknowledges is optional, if sale of the goods, services, or insurance has been authorized pursuant to Section 24404.

CHAPTER 99

An act to amend Section 4420 of the Government Code, relating to public contracts.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 4420 of the Government Code is amended to read:

4420. No officer or employee of this state, or of any public agency or of any public authority, and no person acting or purporting to act on behalf of any officer, employee, or public agency or authority,

except a public agency or authority created pursuant to agreement or compact with another state, shall, with respect to any public building or construction contract which is about to be or which has been competitively bid, require the bidder to make application to, or furnish financial data to, or to obtain or procure any surety bond or contract of insurance specified in connection with the contract, or specified by any law, ordinance, or regulation, from, a particular surety or insurance company, agent or broker. No officer or employee, or person, firm, or corporation acting or purporting to act on behalf of any officer or employee, shall negotiate, make application for, obtain, or procure any such surety bond or contract of insurance (except contracts of insurance for builder's risk or owner's protective liability) which can be obtained or procured by the bidder, contractor, or subcontractor.

This chapter shall not apply to any project under design or construction on August 4, 1967, by or on behalf of a public agency or authority if the agency or authority was then engaged in insurance activity with respect to the project that otherwise would be prohibited by this chapter.

This chapter shall not apply to the construction of any exclusive public mass transit guideway project in any county with a population exceeding 6,000,000, or in the County of Santa Clara, or in the City and County of San Francisco, or any exclusive public mass transit guideway project undertaken by the San Francisco Bay Area Rapid Transit (BART) District.

As used in this section, "public agency" means any city, county, city and county, district, municipal or public corporation, or any agency or instrumentality thereof.

SEC. 2. The Legislature finds that due to the unique circumstances concerning the construction of exclusive public mass transit guideway projects undertaken by the San Francisco Bay Area Rapid Transit (BART) District and the City and County of San Francisco, a general statute cannot be made applicable.

CHAPTER 100

An act to amend Section 2874 of the Public Utilities Code, relating to telephones.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2874 of the Public Utilities Code is amended to read:

2874. (a) Whenever telephone calls are placed through the use of an automatic dialing-announcing device, the device may be

operated only after an unrecorded, natural voice announcement has been made to the person called by the person calling. The announcement shall do all of the following:

(1) State the nature of the call and the name, address, and telephone number of the business or organization being represented, if any.

(2) Inquire as to whether the person called consents to hear the prerecorded message of the person calling.

(b) The calling person described in subdivision (a) shall disconnect the automatic dialing-announcing device from the telephone line upon the termination of the call by either the person calling or the person called.

CHAPTER 101

An act to amend Section 25901 of the Public Resources Code, relating to energy conservation and development.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25901 of the Public Resources Code is amended to read:

25901. (a) Within 30 days after the commission issues its determination on any matter specified in this division, except as provided in Section 25531, any aggrieved person may file with the superior court a petition for a writ of mandate for review thereof. Failure to file such an action does not preclude a person from challenging the reasonableness and validity of a decision in any judicial proceedings brought to enforce the decision or to obtain other civil remedies.

(b) The decision of the commission shall be sustained by the court unless the court finds (1) that the commission proceeded without, or in excess of its jurisdiction, (2) that, based exclusively upon a review of the record before the commission, the decision is not supported by substantial evidence in light of the whole record, or (3) that the commission failed to proceed in the manner required by law.

(c) Except as otherwise provided in this section, subdivisions (f) and (g) of Section 1094.5 of the Code of Civil Procedure govern proceedings pursuant to this section.

(d) The amendment of this section made at the 1989–90 Regular Session of the Legislature does not constitute a change in, but is declaratory of, existing law.

CHAPTER 102

An act to add Section 1266 to the Military and Veterans Code, relating to veterans.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1266 is added to the Military and Veterans Code, to read:

1266. Whenever a county has provided, maintained, or provided and maintained any building, memorial hall, meeting place, memorial park, or recreation center for the use or benefit of one or more veterans' associations, pursuant to Section 1262, the provision of that facility and its acceptance by the veterans' association constitutes a dedication of that property to a public purpose, and the county may not revoke the dedication, so long as the veterans' association has not violated the terms and conditions of the dedication, unless it dedicates substitute facilities or unless the veterans' organization has either consented to the proposed county action or has abandoned its use of the facilities.

SEC. 2. It is the intent of the Legislature, in enacting Section 1266 of the Military and Veterans Code, to codify the holding of the court in the case of Gridley Camp No. 104 v. Board of Supervisors, 98 Cal. App. 585.

CHAPTER 103

An act to amend Sections 18573, 18720.1, 19050.4, 19142, 19582, 19603, 19632, 19702, 19994, and 19997 of, to amend and renumber Sections 19060 and 19100 of, to add Sections 18525.1, 18525.2, and 18525.3 to, to add Chapter 5.6 (commencing with Section 19994.30) to Part 2.6 of Division 5 of Title 2 of, and to repeal Sections 19050.6, 19176, and 19262 of, the Government Code, relating to state employees.

[Approved by Governor July 7, 1989 Filed with Secretary of State July 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18525.1 is added to the Government Code, to read:

18525.1. "Promotion" means the appointment of an employee to a position in a different class with a higher salary range, unless the appointment is by transfer, as defined by subdivision (b) of Section 18525.3.

SEC. 2. Section 18525.2 is added to the Government Code, to read:

18525.2. "Demotion" means the appointment of an employee to a position in a different class with a lower salary range, as provided by Section 19253 if voluntary, by Section 19253.5 if for medical reasons, or by Section 19570 if by adverse action.

SEC. 3. Section 18525.3 is added to the Government Code, to read:

18525.3. "Transfer" means both of the following:

(a) The appointment of an employee to another position in the same class but under another appointing power.

(b) The appointment of an employee to a position in a different class that has substantially the same level of duties, responsibility, and salary, as determined by board rule, under the same or another appointing authority.

SEC. 4. Section 18573 of the Government Code is amended to read:

18573. Each appointing power shall report promptly to the board such information as the board may require in connection with each appointment, separation from service, or other change in position or salary, or other matter affecting the status of positions or the performance of duties of employees in the state civil service, and all these reports shall be prepared in the manner and form prescribed by the board.

Information given to the board by any person shall not be open to public inspection except under conditions prescribed by board rule, except that a person may inspect any record relating to his or her own services.

SEC. 5. Section 18720.1 of the Government Code is amended to read:

18720.1. The State Personnel Board shall be responsible for the collection and review of all employment forms used by state agencies for civil service employment and for the development of standard employment forms for general use by all state agencies. The board may designate an appointing power to review employment forms in accordance with Section 18654 and board rules. Each state agency shall use the standard forms. However, the board, or an appointing power designated by the board, may approve the use of a nonstandard form by a state agency if the information requested on the form is job-related and the forms and procedures to be used conform with federal and state law governing employment practices. Copies of nonstandard forms approved by a designated appointing power shall be transmitted to the board. Nonstandard forms proposed by a state agency shall be accompanied by a petition submitted by the agency which specifies the reasons why a nonstandard form is necessary to meet the agency's needs.

SEC. 6. Section 19050.4 of the Government Code is amended to read:

19050.4. A transfer, as defined in Section 18525.3, may be accomplished without examination. The board may require an employee to demonstrate in an examination that he or she possesses any additional or different requirements that are included in the minimum qualifications of the class to which the employee is transferring.

SEC. 7. Section 19050.6 of the Government Code is repealed.

SEC. 8. Section 19060 of the Government Code is amended and renumbered to read:

19818.21. When the Legislature, in the Budget Act, authorizes a specified number of positions in a specified class in a specified agency, the department shall approve the allocation of those positions to classes on the basis of the total responsibilities and productivity requirements of the job, without placing primary emphasis on the number of positions subordinate to the positions authorized.

SEC. 9. Section 19100 of the Government Code is amended and renumbered to read:

19842.5. For persons employed on an intermittent or irregular time base, the vacation and sick leave privileges, salary, and other conditions of employment governed by this part shall be subject to department rule.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 10. Section 19142 of the Government Code is amended to read:

19142. Every person accepts and holds a position in the state civil service subject to mandatory reinstatement of another person.

Upon reinstatement of a person any necessary separations are effected under the provisions of Section 19997.3 governing layoff and demotion except that (1) an employee who is not to be separated from state service need not receive advance notification as provided in Section 19997.13, and (2) seniority shall not be counted as provided in Section 19997.3 when this would result in the layoff of the person who has the reinstatement right. Under such a circumstance, qualifying service in classes at substantially the same or higher salary level is the only state service that shall be counted for purposes of determining who is to be separated.

SEC. 11. Section 19176 of the Government Code is repealed.

SEC. 12. Section 19262 of the Government Code is repealed.

SEC. 13. Section 19582 of the Government Code is amended to read:

19582. (a) Hearings may be held by the board, or by any authorized representative, but the board shall render the decision

which in its judgment is just and proper.

During a hearing, after the appointing authority has completed the opening statement or the presentation of evidence, the employee, without waiving his or her right to offer evidence in the event the motion is not granted, may move for a dismissal of the charges.

If it appears that the evidence presented supports the granting of the motion as to some but not all of the issues involved in the action, the board or the authorized representative shall grant the motion as to those issues and the action shall proceed as to the issues remaining. Despite the granting of the motion, no judgment shall be entered prior to a final determination of the action on the remaining issues, and shall be subject to final review and approval by the board.

(b) If a contested case is heard by an authorized representative he or she shall prepare a proposed decision in a form that may be adopted as the decision in the case. A copy of the proposed decision shall be filed by the board as a public record and furnished to each party within 10 days after the proposed decision is filed with the board. The board itself may adopt the proposed decision in its entirety, may remand the proposed decision, or may reduce the adverse action set forth therein and adopt the balance of the proposed decision.

(c) If the proposed decision is not remanded or adopted as provided in subdivision (b), each party shall be notified of the action, and the board itself may decide the case upon the record, including the transcript, with or without taking any additional evidence, or may refer the case to the same or another authorized representative to take additional evidence. If the case is so assigned to an authorized representative, he or she shall prepare a proposed decision as provided in subdivision (b) upon the additional evidence and the transcript and other papers which are part of the record of the prior hearing. A copy of the proposed decision shall be furnished to each party. The board itself shall decide no case provided for in this subdivision without affording the parties the opportunity to present oral and written argument before the board itself. If additional oral evidence is introduced before the board itself, no board member may vote unless he or she heard the additional oral evidence.

(d) In arriving at a decision or a proposed decision, the board or its authorized representative may consider any prior suspension or suspensions of appellant by authority of any appointing power, or any prior proceedings under this article.

(e) The decision shall be in writing and contain findings of fact and the adverse action, if any. The findings may be stated in the language of the pleadings or by reference thereto. Copies of the decision shall be delivered to the parties personally or sent to them by registered mail.

SEC. 14. Section 19603 of the Government Code is amended to read:

19603. Each demonstration project shall terminate before the

end of the five-year period beginning on the date on which the project takes effect, except that the project may continue beyond the date to the extent necessary to validate the results of the project.

Not more than five active demonstration projects may be in effect at any time.

Subject to the terms of any written agreement or contract between the board and an agency, a demonstration project involving the agency may be terminated by the board or the agency, if either determines that the project creates a substantial hardship on, or is not in the best interests of, the public, employees, or state government.

SEC. 15. Section 19632 of the Government Code is amended to read:

19632. Process directed to any officer or employee, or the board or its members, in any action or proceeding arising under this part shall be served upon the office of the Chief Counsel of the board.

SEC. 16. Section 19702 of the Government Code is amended to read:

19702. (a) A person shall not be discriminated against under this part because of sex, race, religious creed, color, national origin, ancestry, marital status, or physical handicap unless it can be shown that the particular handicap is job related. A person shall not be retaliated against because he or she has opposed any practice made an unlawful employment practice, or made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part. For purposes of this article, "discrimination" includes harassment. This subdivision is declaratory of existing law.

(b) As used in this section, "physical handicap" includes, but is not limited to, impairment of sight, hearing, or speech, or impairment of physical ability because of amputation or loss of function or coordination, or any other health impairment which requires special education or related services.

(c) As used in this section, "physical handicap" shall not include obesity or any other health impairment caused by the person's obesity.

(d) If the board finds that a person has engaged in discrimination under this part, and it appears that this practice consisted of acts described in Section 243.4, 261, 286, 288, 288a, or 289 of the Penal Code, the board, with the consent of the complainant, shall provide the local district attorney's office with a copy of its decision and order.

(e) If the board finds that discrimination has occurred in violation of this part, the board shall issue and cause to be served on the appointing authority an order requiring the appointing authority to cause the discrimination to cease and desist and to take any action, including, but not limited to, hiring, reinstatement or upgrading of employees, with or without back pay, and compensatory damages, which, in the judgment of the board, will effectuate the purposes of

this part. Consistent with this authority, the board may establish rules governing the award of compensatory damages. The order shall include a requirement of reporting the manner of compliance.

(f) Any person claiming discrimination within the state civil service may submit a complaint which shall be in writing and set forth the particulars of the alleged discrimination, the name of the appointing authority, the persons alleged to have committed the unlawful discrimination, and any other information that may be required by the board. The complaint shall be filed with the appointing authority or, in accordance with board rules, with the board itself.

(g) Complaints shall be filed within one year of the alleged unlawful discrimination or the refusal to act in accordance with this section, except that this period may be extended for not to exceed 90 days following the expiration of that year, if a person allegedly aggrieved by unlawful discrimination first obtained knowledge of the facts of the alleged unlawful discrimination after the expiration of one year from the date of its occurrence. Complaints of discrimination in adverse actions or rejections on probation shall be filed in accordance with Sections 19175 and 19575.

(h) When an employee of the appointing authority refuses, or threatens to refuse, to cooperate in the investigation of a complaint of discrimination, the appointing authority may seek assistance from the board. The board may provide for direct investigation or hearing of the complaint, the use of subpoenas, or any other action which will effect the purposes of this section.

SEC. 17. Section 19994 of the Government Code is amended to read:

19994. When the state takes over and there is transferred to it a function from any other public agency, the department may determine the extent, if any, to which the employees employed by the other public agency on the date of transfer are entitled to have credited to them in the state civil service, seniority credits, accumulated sick leave, and accumulated vacation because of service with the former agency. Granting of seniority credit under this section is subject to review by the State Personnel Board pursuant to Section 19816.2. The department shall limit that determination to the time any transferred employees were employed in the specific function or a function substantially similar while in the former agency and the seniority credits and accumulated sick leave and accumulated vacation shall not exceed that to which each employee would be entitled if he or she had been continuously employed by the State of California. This section is applicable to any function heretofore transferred to the state, whether by state action or otherwise, as well as to any future transfers of a function to the state, whether by state action or otherwise.

SEC. 18. Chapter 5.6 (commencing with Section 19994.30) is added to Part 2.6 of Division 5 of Title 2 of the Government Code, to read:

CHAPTER 5.6. SMOKING POLICY

19994.30. Each state department shall adopt a policy on smoking which addresses the rights of nonsmokers to a smoke-free environment in formal meetings, informal meetings, and work stations, and which allows for administration of the policy and for the resolution of conflicts regarding the policy.

Nothing in this section shall require the building of partitions between smokers and nonsmokers.

SEC. 19. Section 19997 of the Government Code is amended to read:

19997. Whenever it is necessary because of lack of work or funds, or whenever it is advisable in the interests of economy, to reduce the staff of any state agency, the appointing power may lay off employees pursuant to this article and department rule. All layoff provisions and procedures established or agreed to under this article shall be subject to State Personnel Board review pursuant to Section 19816.2.

CHAPTER 104

An act to amend Sections 53374.7, 53381, and 66493 of, and to add Section 61601.21 to, the Government Code, to amend Sections 4186 and 4218 of the Revenue and Taxation Code, to amend Sections 5023.1, 5024, 5103, 6460, 6460.1, 6460.5, 8570, 8571, 8651.5, 8680, 8682, 8682.1, 8740.3, 8760, 8766, 8767, 8880, 10102, 10110, 10204.2, 10427.1, and 22525 of, to add Sections 8766.5 and 10006.5 to, and to repeal Section 8687 of, the Streets and Highways Code, to amend Section 7⅞ of the Knight's Landing Ridge Drainage District Act (Chapter 99 of the Statutes of 1913), and to amend Section 7⅝ of the Sacramento River West Side Levee District Act (Chapter 361 of the Statutes of 1915), relating to public works.

[Approved by Governor July 7, 1989. Filed with Secretary of State July 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 53374.7 of the Government Code is amended to read:

53374.7. The hearing may be continued from time to time, but shall be completed within 30 days. At the conclusion of the hearing, the legislative body may do either of the following:

(a) Abandon the proposed establishment of the district.

(b) Determine to establish the district if it makes all of the following findings:

(1) That clear evidence exists, with respect to each public facility proposed for rehabilitation, that the facility has deteriorated to the point of significantly reduced performance, that there is a reasonable

likelihood of damage to private or public property or a reasonable likelihood that significant damage will occur to the facility itself if rehabilitation does not occur promptly, or that the facility presents a danger to the health or safety of public employees or to the public.

(2) That clear evidence exists, with respect to each new public capital facility proposed for construction, that the facility is needed as a component of a program to rehabilitate the public works of the district or to rehabilitate a related system of public works within the district.

(3) The proposed rehabilitation program is consistent with the general plan of the jurisdiction and any specific plans that apply to the territory included within the district.

(4) That the public facility or the portion of the public facility proposed for rehabilitation, is located within the jurisdiction of the city or county, or that the city or county has entered into a joint powers agreement with other cities or counties, or both, to participate in the rehabilitation of the facility.

SEC. 2. Section 53381 of the Government Code is amended to read:

53381. A district may expand the capacity of existing public capital facilities, replace existing public capital facilities with alternative technologies that perform similar functions, reroute or relocate public capital facilities, or construct new public capital facilities which comprise a component of a program to rehabilitate the public works of the district or to rehabilitate any related system of public works within the district.

SEC. 3. Section 61601.21 is added to the Government Code, to read:

61601.21. Notwithstanding Sections 61600 and 61601, whenever the Board of Directors of the Jurupa Community Services District determines, by resolution, that it is feasible, economically sound, and in the public interest for the district to exercise its powers for the purpose of installing or planting and maintaining landscaping within public street rights-of-way or easements within the district, the board may adopt that additional purpose by resolution, and thereafter the powers of the district may be exercised for that purpose. The district shall, for the purpose of installing or planting and maintaining landscaping, be authorized to provide for and accomplish that purpose through proceedings pursuant to the Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

SEC. 4. Section 66493 of the Government Code is amended to read:

66493. (a) Whenever any part of the subdivision is subject to a lien for taxes or special assessments collected as taxes which are not yet payable, the final map or parcel map shall not be recorded until the owner or subdivider does both of the following:

(1) Files with the clerk of the board of supervisors of the county wherein any part of the subdivision is located a certificate o-

statement prepared by the appropriate state or local official giving his or her estimate of those taxes or assessments.

(2) Executes and files with the clerk of the board of supervisors of the county wherein any part of the subdivision is located, security conditioned upon the payment of all state, county, municipal, and local taxes and the current installment of principal and interest of all special assessments collected as taxes, which at the time the final map is recorded are a lien against the property, but which are not yet payable.

(b) If the land being subdivided is a portion of a larger parcel shown on the last preceding tax roll as a unit, the security for payment of taxes need be only for the sum which may be determined by the county to be sufficient to pay the current and delinquent taxes on the land being subdivided, together with all accrued penalties and costs if those taxes have been or are allowed to become delinquent. Separate assessor's parcel numbers shall be given to the portion of the larger parcel which is not within the proposed subdivision and to the parcel or parcels which are within the proposed subdivision.

If the land being subdivided is tax-defaulted, it may be redeemed without the redemption of the remainder of the larger parcel of which it is a part pursuant to the Revenue and Taxation Code as if it were held in ownership separate from and other than the ownership of the remainder.

(c) Whenever land subject to a special assessment or bond which may be paid in full is divided by the line of a lot or parcel of the subdivision, that assessment or bond shall be paid in full; security shall be filed with the clerk of the board of supervisors, payable to the county as trustee for the assessment bondholders for the payment of the special assessment or bond; or the responsibility for payment of the assessment shall be certified as segregated pursuant to subdivision (d).

(d) Whenever land subject to a special assessment for payment of a bond would be divided by the line of a lot or parcel of a subdivision, and the special assessment is not paid in full or secured pursuant to subdivision (c), the final map or parcel map shall not be recorded until the owner or subdivider files with the clerk of the board of supervisors of the county a certificate prepared by the clerk of the legislative body that created the assessment district. The certificate shall certify that the legislative body has determined that provision has been made for segregation of the responsibility of each of the proposed new parcels for a portion of the assessment payment obligation in the manner provided in the statute pursuant to which the assessments were levied or to which the bonds were issued.

(e) In computing the amount of security for "taxes" in subdivision (a) or "current taxes" in subdivision (b), it shall only be necessary to consider amounts shown on the regular assessment roll or shown on any supplemental rolls prepared pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

SEC. 5. Section 4186 of the Revenue and Taxation Code is amended to read:

4186. As used in this chapter, "taxes" includes all taxes and assessments and annual installments of assessments charged on the roll, except special assessments pledged to the payment of debt service on bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) for which the local agency has covenanted to foreclose on behalf of the bondholder pursuant to Section 8830 of the Streets and Highways Code.

SEC. 6. Section 4218 of the Revenue and Taxation Code is amended to read:

4218. (a) During the time payments are made under this article:

(1) The property subject to the installment plan shall not become subject to a power of sale pursuant to Section 3691.

(2) The right of redemption shall not be terminated.

(b) Subdivision (a) does not prohibit or delay foreclosure pursuant to Section 8830 of the Streets and Highways Code.

SEC. 7. Section 5023.1 of the Streets and Highways Code is amended to read:

5023.1. "Acquisition," or any of its variants, means one or more of the following:

(a) Any works, improvements, appliances, or facilities which are authorized to be made, constructed, or acquired under this division and which are in existence and installed in place on or before the date of adoption of the resolution of intention for the acquisition thereof; any use or capacity rights in any of the above; and any works, improvements, appliances, or facilities acquired or installed pursuant to Sections 10109 to 10111, inclusive.

(b) Electric current, gas, or other illuminating agent for power or lighting service.

(c) Any real property, rights-of-way, easements, or interests in real property, acquired or to be acquired by gift, purchase, or eminent domain, necessary or convenient in connection with the construction or operation of any work or improvement authorized to be acquired or to be made or constructed under this division, except any real property, rights-of-way, easements, or interests in real property shown on any final map filed with or submitted to the legislative body for acceptance and approval under the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the Government Code) and offered for dedication to public use by the map or by any separate offer of dedication previously or subsequently made.

(d) The payment in full of all amounts necessary to eliminate any special assessment liens previously imposed upon any assessment parcel included in the new assessment district. The cost of the payment shall be included in the new assessment on the parcel. This subdivision is applicable only in cases where the acquisition is incidental to other acquisitions or improvements.

SEC. 8. Section 5024 of the Streets and Highways Code is amended to read:

5024. "Incidental expense" includes all of the following:

(a) The compensation of the engineer for work done by him or her, and attorney's fees for services in proceedings pursuant to this division.

(b) The cost of printing and advertising provided for in this division, including the treasurer's estimated cost of printing, servicing, and collecting any bonds to be issued to represent or be secured by unpaid assessments.

(c) The compensation of the person appointed by the superintendent of streets to take charge of, and superintend any of, the work.

(d) The expenses of making the assessment, and of the collection of assessments by the superintendent of streets when directed by ordinance to receive payments pursuant to Section 5396, and of preparing and typing the resolutions, notices, and other papers and proceedings for any work authorized by this division.

(e) The expenses of making any analyses and tests to determine that the work, and any materials or appliances incorporated therein, comply with the specifications.

(f) All costs and expenses incurred in carrying out the investigations and making the reports required by the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

(g) The cost of title searching, description writing, salaries of right-of-way agent, appraisal fees, partial reconveyance fees, surveys, and sketches incident to securing rights-of-way for any work authorized by this division.

(h) Any other expenses incidental to the construction, completion, and inspection of the work in the manner provided for in this division.

(i) The cost of relocating or altering any public utility facilities as required by the improvement in those cases where that cost is the legal obligation of the city.

(j) The cost of planning and designing public facilities to be financed pursuant to this division, including the cost of environmental evaluations of those facilities.

(k) The cost of filing and of recording documents where the cost is the legal obligation of the city.

(*l*) The cost of any acquisition, as defined in Section 5023.1, and expenses incidental in connection with the acquisition.

(m) If the construction of sewers or appurtenances incident thereto has been ordered, sewer service, connection, and capacity charges established by the city as a condition to the providing of sewer service for the benefit of properties within the assessment district and required for the completion and utilization of the improvement constructed.

(n) If the construction of water improvements or appurtenances

incident thereto has been ordered, water service, connection, and capacity charges established by the city as a condition to the providing of water service for the benefit of properties within the assessment district and required for the completion and utilization of the improvement constructed.

(o) All costs not identified in subdivisions (a) to (n), inclusive, related to the issuance of bonds, including, but not limited to, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit and other credit enhancement costs, and initial fees for the registration of bonds.

All demands for incidental expenses shall be presented to the street superintendent, by an itemized bill, duly verified by the demandant.

SEC. 9. Section 5103 of the Streets and Highways Code is amended to read:

5103. Whenever the work or improvement includes the installation of works or appliances for supplying electric, telephone, or cable television service, sanitary sewers or instrumentalities of sanitation, domestic or industrial water supplies, or mains and appurtenances for supplying or distributing a domestic or industrial gas supply, and the territory in which the work or improvement is contemplated is within the service area of a public utility, public agency, or mutual water company supplying the service, the legislative body may, before the adoption of the resolution of intention, enter into an agreement with the public utility, public agency, or mutual water company which may, among other things, provide for all of the following:

(a) The supplying or approval by the public utility, public agency, or mutual water company of plans and specifications for the work or improvement.

(b) The performance of work or service, for an allowance or contribution by the public utility, public agency, or mutual water company toward the cost of the work or service where provided for by its rules or regulations, and for the payment for the work or service.

(c) That the agreement shall become effective upon the effective date of the resolution or ordinance ordering the work in proceedings taken pursuant to this division.

(d) That, after the confirmation of the assessment, the public utility, public agency, or mutual water company shall have exclusive possession, control, and use of the work or improvement as long as the public utility, public agency, or mutual water company uses the work or improvement to render to the lands within the assessment district the services intended to be furnished by the work or improvement.

SEC. 10. Section 6460 of the Streets and Highways Code is amended to read:

6460. Form of bond. The bond shall be substantially in the following form:

IMPROVEMENT BOND

Series (designating it), in the City (or County)
of (naming it)

$_____ No. _____

Under and by virtue of the Improvement Act of 1911 (Part 5 of Division 7 of the Streets and Highways Code), I, out of the fund for the above designated improvement bonds, series _____, will pay to _____ or order, the sum of _____ dollars ($_____) with interest at the rate of _____ percent per annum, all as is hereinafter specified, and at the office of the Treasurer of the _____ of _____, State of California.

This bond is issued to represent the cost of certain work upon _____, in the _____ of _____, as the same is more fully described in assessment number _____ issued by the street superintendent of said _____, after the acceptance of said work, and recorded in his office. Its amount is the amount assessed in said assessment against the lot or parcel of land numbered therein, and in the diagram attached thereto, as number _____, and which now remains unpaid, and constitutes a lien upon the property affected thereby, as the same is described herein and in said recorded assessment with its diagram, to wit: the lot or parcel of land in said _____ of _____, County of _____, State of California.

This bond is payable exclusively from said fund, and neither the (here insert city or county) nor any officer thereof is to be holden for payment otherwise of its principal or interest. The term of this bond is _____ years from the second day of January next succeeding the next September 1st following its date, and at the expiration of said time the whole sum then unpaid shall be due and payable; but on the second day of January of each year, following the next September 1st after its date, an even annual proportion of its whole amount is due and payable, upon presentation of the coupon therefor, until the whole is paid, with all accrued interest at the rate of _____ per centum per annum.

The interest is payable semiannually, to wit: on the second days of January and of July in each year hereafter, upon presentation of the coupons therefor, hereto attached, the first of which is for the interest to the next second day of _____, and thereafter the interest coupons are for semiannual interest.

This bond may be redeemed by the owner or any person interested in any lot or parcel of land described herein, in the manner provided in said code, at any time before maturity, and before commencement of proceedings for sale, upon payment to the treasurer, for the holder of this bond, of the amount then unpaid on the principal sum thereof, with interest thereon (if not previously paid) up to the next succeeding January 2 or July 2, as the case may be, at the rate named in the bond, and all penalties accrued and unpaid.

Should default be made in the annual payment upon the principal, or in any payment of interest from the owner of said lot or parcel of land, or anyone in his behalf, the holder of this bond is entitled on or after the second day of January or July, as the case may be, following such default to declare the whole unpaid amount to be due and payable, and to have said lot or parcel of land advertised and sold forthwith, in the manner provided by law; provided, however, that any bond may be reinstated after such default in the manner provided in said code. In case of such default there shall be immediately added to such defaulted amount, 2 percent of the amount thereof, and on the first day of each month following such default there shall be added a further penalty of 2 percent of such defaulted amount. The 2 percent penalty first imposed and all subsequent penalties shall be paid to the holder of the bond along with and as a part of such defaulted payment.

At said _____ of _____, this _____ day of _____, in the year one thousand nine hundred and _____.

Treasurer of the _____ of _____.

SEC. 11. Section 6460.1 of the Streets and Highways Code is amended to read:

6460.1. Bonds issued pursuant to Chapter 14.5 (commencing with Section 5330) to represent an assessment against a possessory interest created by a lease in Indian-owned property shall be substantially in the following form:

IMPROVEMENT BOND

Series (designating it), in the City (or County) of (naming it)

$_____ No. _____

Under and by virtue of the Improvement Act of 1911 (Part 5 (commencing with Section 6400) of Division 7 of the Streets and Highways Code), I, out of the fund of the above-designated improvement bonds, series _____, will pay to _____ or order, the sum of _____ dollars ($_____) with interest at the rate of _____ percent per annum, all as specified herein, and at the office of the Treasurer of the _____ of _____, State of California.

This bond is issued to represent the cost of certain work upon _____, in the _____ of _____, as the work is more fully described in assessment number _____ issued by the street superintendent of the _____, after the acceptance of the work, and recorded in his office. Its amount is the amount assessed in the assessment against the possessory interest created by a lease in the lot or parcel of land numbered therein, and in the diagram attached thereto, as number _____, and which now remains unpaid, and is secured by the assignment of a possessory interest, as it is described herein and in the recorded assessment with its diagram, to wit: the

lot or parcel of land in the _____ of _____, County of _____, State of California.

This bond is payable exclusively from the fund, and neither the (insert here the city or county) nor any officer thereof is to be holden for payment otherwise of its principal or interest. The term of this bond is _____ years from the second day of January next succeeding the next September 1st following its date and, at the expiration of that time, the whole sum then unpaid shall be due and payable. On the second day of January of each year, following the next September 1st after its date, an even annual proportion of its whole amount is due and payable, upon presentation of the coupon therefor, until the whole is paid, with all accrued interest at the rate of _____ percent per annum.

The interest is payable semiannually on the second days of January and of July in each year hereafter, upon presentation of the coupons therefor, hereto attached, the first of which is for the interest to the next second day of _____, and thereafter the interest coupons are for semiannual interest.

This bond may be redeemed by the owner or any person interested in any possessory interest in the lot or parcel of land described herein, in the manner provided in the Streets and Highways Code, at any time before maturity, and before commencement of proceedings for sale, upon payment to the treasurer, for the holder of this bond, of the amount then unpaid on the principal sum thereof, with interest thereon (if not previously paid) up to the next succeeding January 2nd or July 2nd, as the case may be, at the rate named in the bond, and all penalties accrued and unpaid.

Should default be made in the annual payment upon the principal, or in any payment of interest from the holder of the possessory interest, or anyone in his behalf, the holder of this bond is entitled, on or after the second day of January or July, as the case may be, following such default to declare the whole unpaid amount to be due and payable, and to have the possessory estate advertised and sold forthwith, in the manner provided by law for the sale of a lot or parcel of land pursuant to Chapter 6 (commencing with Section 6500).

At the _____ of _____ this _____ day of _____, in the year one thousand nine hundred and _____.

Treasurer of the _____ of _____.

SEC. 12. Section 6460.5 of the Streets and Highways Code is amended to read:

6460.5. The bond shall be manually signed by the treasurer of the city or county, or a facsimile signature may be reproduced thereon.

A facsimile signature of the treasurer is one that is printed, lithographed, engraved, stamped, or otherwise mechanically reproduced.

SEC. 13. Section 8570 of the Streets and Highways Code is

amended to read:

8570. The legislative body of any city may determine that serial or term bonds shall be issued as provided in this division to represent and be secured by assessments to pay the cost of any work or improvement in any of the streets, avenues, lanes, alleys, courts, places, or public ways of the city, or in, over, or through any property or rights-of-way owned by the city authorized by the Street Opening Act of 1903 (Part 1 (commencing with Section 4000) of Division 6) or by the Improvement Act of 1911 (Division 7 (commencing with Section 5000)), or to pay the cost of any other work or improvement charged and assessed upon real property pursuant to any other law. The legislative body may not issue bonds secured by assessments levied pursuant to subdivision (b) of Section 10312 to pay administrative costs.

SEC. 14. Section 8571 of the Streets and Highways Code is amended to read:

8571. If the legislative body determines that serial or term bonds shall be issued as provided in this division to represent the expense of any proposed work or improvement, it shall, in the resolution of intention to do the work, do all of the following:

(a) Declare that serial or term bonds shall be issued pursuant to Division 10 (commencing with Section 8500) to represent the expenses of the proposed work or improvement.

(b) Specify the rate or maximum rate of interest which the bonds shall bear.

(c) State the determination of the city pursuant to Section 8769.

SEC. 15. Section 8651.5 of the Streets and Highways Code is amended to read:

8651.5. Each bond, or any portion of the bond in a fixed amount or any integral multiple of the fixed amount, shall be subject to redemption in advance of its maturity on any interest payment date upon payment to the registered owner of the principal and accrued interest to the date of redemption together with a redemption premium equal to 5 percent of the principal. Prior to issuance of the bonds, the legislative body may reduce the redemption premium to an amount equal to not less than 3 percent of the principal for the first five years of the term of the bonds or eliminate the redemption premiums for redemptions occurring after the first five years of the term of the bonds, or both.

SEC. 16. Section 8680 of the Streets and Highways Code is amended to read:

8680. (a) The unpaid assessments shall be payable in annual series corresponding in number to the number of series of bonds issued. An annual proportion of each assessment shall be payable in each year preceding the date of maturity of each of the several series of bonds which have been issued, sufficient to pay the bonds when due. The annual proportion of each assessment coming due in any year, together with the annual interest on the assessment, shall be payable in the same manner and at the same time and in the same

installments as the general taxes of the city on real property are payable, and the assessment installments and the annual interest on the assessment shall be payable and become delinquent at the same times and in the same proportionate amounts and, except as provided in subdivision (b), shall bear the same proportionate penalties and interest after delinquency as do the general taxes on real property of the city.

(b) The legislative body may provide, in the resolution of intention to do the work, that a penalty of 2 percent per month of the total amount of the delinquent installment shall be added to the delinquent installment after the close of business on the delinquency date and an additional penalty of 2 percent of the amount of the delinquency shall be added at the beginning of business on the 10th day of each succeeding month until that delinquent installment and all penalties thereon are fully paid. This penalty shall be in lieu of all other penalties assessed by other provisions of law. The treasurer or the designated paying agent shall collect the penalties with, and as a part of, the delinquent installments, or the legislative body may designate another official and another method of collection. All penalties collected shall be deposited in the redemption fund.

SEC. 17. Section 8682 of the Streets and Highways Code is amended to read:

8682. (a) A copy of the order of the legislative body determining the assessments remaining unpaid and upon the security of which bonds are issued shall be filed in the office of the auditor. The auditor shall keep a record in his or her office showing the several installments of principal and interest on the assessments which are to be collected in each year during the term of the bonds. The auditor shall annually enter in his or her assessment roll on which taxes will next become due, opposite each lot or parcel of land affected in a space marked "public improvement assessment," or by other suitable designation, the several installments of the assessment coming due during the fiscal year covered by the assessment roll, including in each case the interest due on the total unpaid assessments.

(b) The auditor shall also add a maximum of 5 percent of the amount of the installments and of the interest so entered, not to exceed the city treasurer's estimate of the expenses of collection, and in any case not to exceed eight dollars ($8) per lot or parcel per installment, except with the landowner's written consent. The expenses of collection shall include necessary administrative expenses of the city incurred in providing the auditor with current information regarding the ownership or division of the affected lots or parcels of land to ensure the proper entry by the auditor in his or her assessment roll of the several installments of the assessment coming due during the fiscal year covered by the assessment roll and the timely collection of the installments. The percentages, and the amount represented by the installments, when collected shall belong to the city and shall cover the expenses and compensation of the city

treasurer incurred in the collection of the assessments, and of the interest and penalties added on to the assessments. No other percentage or amount shall be claimed by the legislative body for the collections.

(c) In the case of an assessment district created prior to January 1, 1987, the amount of collection costs which may be collected pursuant to this section shall be the amount which could have been collected pursuant to this section as it read prior to being amended by Chapter 874 of the Statutes of 1986.

SEC. 18. Section 8682.1 of the Streets and Highways Code is amended to read:

8682.1. (a) In addition to the amounts set forth in Section 8682, the auditor shall further annually enter in the assessment roll on which taxes will next become due, opposite each lot or parcel of land affected, in the manner set forth in Section 8682, each lot's or parcel's pro rata share of the annual expenses of the city in connection with the registration of the bonds under the system of registration authorized by Chapter 1.5 (commencing with Section 5050) of Division 6 of Title 1 of the Government Code, as determined by the legislative body. The expenses shall include the amount or estimated amount necessary to pay the fees and charges coming due during the fiscal year covered by the assessment roll of corporate or other authenticating agents, transfer agents, registrars, paying agents, agents engaged to assist in complying with federal arbitrage requirements, or other agents of the city. If the city performs any transfer, registration, authentication, payment, or other function described in this section, the expenses shall include a pro rata amount of the salaries of the city employees involved in the performance of the functions and all other costs incurred by the city in connection with the functions.

(b) Alternatively, the legislative body may elect to include in the assessment, and in the amount of the bonds, the estimated aggregate total of the expenses throughout the term of the bonds and to pay the annual amounts of the expenses from the fund created. Any amount remaining in the fund upon the retirement of the bonds shall be disposed of as provided in Section 8783.

SEC. 19. Section 8687 of the Streets and Highways Code is repealed.

SEC. 20. Section 8740.3 of the Streets and Highways Code is amended to read:

8740.3. (a) When the apportionment has been made, an application signed by all persons owning an interest in the original lot or parcel of land may be filed with the street superintendent requesting that the assessment as apportioned be recorded.

(b) The street superintendent shall send to the underwriter or other original purchaser of any bonds which may be outstanding a notice, by certified or registered mail, that an apportionment of an assessment has been made and the numbers and amounts thereof and that, unless a request for a hearing is received within 14 days

from the date of mailing of the notice, the apportioned assessments shall be recorded. If a request for a hearing is received, a report shall be filed and hearing shall be scheduled, noticed, and held in accordance with Part 10 (commencing with Section 8730).

SEC. 21. Section 8760 of the Streets and Highways Code is amended to read:

8760. The procedures of this part are alternative to Part 8 (commencing with Section 8680) and Part 11 (commencing with Section 8750) relating to the partial or full payment of assessments and advance retirement of bonds. Except as otherwise provided, Part 8 (commencing with Section 8680) and Part 11 (commencing with Section 8750) apply. When it is proposed to proceed under this part, it shall be so stated in the resolution of intention.

SEC. 22. Section 8766 of the Streets and Highways Code is amended to read:

8766. The owner of assessed land, except land which has been ordered to judicial foreclosure pursuant to Section 8830, may prepay the assessment and remove the lien of the assessment by paying to the treasurer all of the following:

(a) The amount of any delinquent installments of principal and interest, together with penalties accrued to the date of prepayment.

(b) The unpaid, nondelinquent principal of the assessment, including principal posted to the tax roll for the current fiscal year but not yet paid.

(c) An allowance for redemption premium, calculated by multiplying the amount of the unmatured principal by the redemption premium percentage stated in the bonds. Unmatured principal excludes principal due during the fiscal year of prepayment.

(d) A reasonable fee, fixed by the treasurer, for the cost of administering the prepayment and the advance redemption of bonds.

(e) Interest accrued to the next call date of the bonds. The next call date is the next bond interest payment date which is not less than 90 days after the date of prepayment. Credit shall be given, or a refund provided, for installments of interest posted to the current tax roll and actually paid.

(f) A credit for the reserve fund calculated pursuant to Section 8881.

SEC. 23. Section 8766.5 is added to the Streets and Highways Code, to read:

8766.5. The owner of assessed land, except land which has been ordered to judicial foreclosure pursuant to Section 8830, may prepay the assessment in part and remove the lien of the assessment in part by paying to the treasurer all of the following:

(a) The amount of any delinquent installment of principal and interest, together with penalties accrued to the date of prepayment.

(b) A portion of the unpaid, nondelinquent principal of the assessment in increments of five thousand dollars ($5,000).

(c) An allowance for redemption premium, calculated by multiplying the amount of the unmatured principal being prepaid by the redemption premium percentage stated in the bonds.

(d) A reasonable fee, fixed by the treasurer, for the cost of administering the prepayment and the advance redemption of bonds.

(e) Interest accrued to the next call date of the bonds. The next call date is the next bond interest payment date which is not less than 90 days after the date of prepayment.

SEC. 24. Section 8767 of the Streets and Highways Code is amended to read:

8767. Upon receiving a partial or full prepayment of an assessment, the treasurer shall deposit it in an assessment prepayment subaccount of the bond redemption fund. All prepayments may be commingled in a single account. From the account, the treasurer shall make disbursements as follows:

(a) The administrative fee shall be deposited in the general fund of the city.

(b) Delinquent principal, interest, and penalties shall be transferred to the redemption fund for the bonds. If a special reserve fund has been established for the bonds and has been depleted on account of the delinquencies, the delinquent amounts and penalties shall be transferred instead to the special reserve fund.

(c) The installment of principal due in the fiscal year of prepayment shall be transferred to the redemption fund for the bonds.

(d) Interest accrued to the next call date shall be transferred to the redemption fund for the bonds.

(e) The balance in the assessment prepayment account shall be used to advance the maturity of bonds to the next call date, as provided in Part 11 (commencing with Section 8750). The amount of bonds to be retired shall be the maximum for which principal and redemption premium may be paid in full from the prepayment account. Accrued interest on bonds to be retired shall be paid from the redemption fund.

SEC. 25. Section 8880 of the Streets and Highways Code is amended to read:

8880. In any proceedings leading to the issuance of bonds pursuant to this division, the legislative body may include, as an incidental expense of the proceedings, an amount to create a special reserve fund for the bonds.

The amount so provided shall not exceed 10 percent of the total amount of assessments to be levied under the proceedings.

SEC. 27. Section 10006.5 is added to the Streets and Highways Code, to read:

10006.5. Subject to the limitation of Section 10204.1, "incidental expense" has the same meaning as specified in Section 5024.

SEC. 28. Section 10102 of the Streets and Highways Code is amended to read:

10102. Whenever the public interest or convenience requires, the legislative body of any municipality may pay fees or expenses or acquire or install any or all of the works and improvements mentioned in the Improvement Act of 1911 (Division 7 (commencing with Section 5000)), the Vehicle Parking District Law of 1943 (Part 1 (commencing with Section 31500) of Division 18), the Parking District Law of 1951 (Part 4 (commencing with Section 35100) of Division 18), the Park and Playground Act of 1909 (Chapter 7 (commencing with Section 38000) of Part 2 of Division 3 of Title 4 of the Government Code), or other works and improvements of a local nature, and may acquire by gift, purchase, or eminent domain proceedings land, rights-of-way, and easements necessary for the works and improvements.

SEC. 29. Section 10110 of the Streets and Highways Code is amended to read:

10110. Before the ordering of the work, acquisitions, or improvements which are to be owned, managed, or controlled by any other public agency, regulated public utility, or mutual water company, the legislative body shall enter into an agreement with the public agency, public utility, or mutual water company which has, or may have, charge of the works, appliances, or improvements. The agreement may provide for the joint exercise of any power authorized by this division by two or more local agencies authorized to use this division if the legislative body of each participating agency adopts a resolution declaring that the joint agreement would be beneficial to the residents of the area of the agency. A local agency which is a party to the agreement may use the proceeds of any assessment or of any bonds or other indebtedness issued in conjunction with this division pursuant to the agreement to provide facilities which the local agency is otherwise authorized by law to provide, even though another agency which is a party to the agreement does not have the power to provide those facilities. Among other things, the agreement may provide for any of the following:

(a) For the supplying by the public agency, public utility, or mutual water company of plans and specifications in accordance with Chapter 5 (commencing with Section 5170) of Part 3 of Division 7.

(b) For the performance of work or service by the public agency, public utility, or mutual water agency, and the payment to the public agency, public utility, or mutual water company out of the improvement fund for the work or service. Any agreement providing for the performance of work by a public utility or mutual water company may provide for the posting of labor, material, and performance bonds.

(c) For the acquisition by the legislative body of works or appliances already installed and for the conveyance of these works or appliances to the public agency, public utility, or mutual water company. The owner of these works or appliances may be a party to

the agreement.

(d) That the agreement shall become effective after proceedings have been taken pursuant to this division and the funds are available to carry out all the terms thereof. Whenever it is proposed to annex to the public agency the territory in which the installation or acquisition is contemplated, proceedings may be taken up to and including the confirmation of the assessment as provided for in Section 10312 prior to the commencement of the annexation proceedings. If the annexation is successful, the assessment shall be recorded and other proceedings taken that may enable the parties to comply with the terms of the agreement. If the annexation proceedings fail, further proceedings under the resolution of intention are barred.

Any agreement entered into pursuant to this section, to the extent that utilities have been financed by special assessments, shall provide that no main extension refund agreement shall be entered into with a developer.

SEC. 30. Section 10204.2 of the Streets and Highways Code is amended to read:

10204.2. If improvement bonds are to be issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)), the costs and expenses of the proposed improvement may include an allowance for interest not exceeding two years' estimated interest on the bonds. The amount of the allowance for interest shall be paid into the redemption fund for the bonds upon sale and delivery of the bonds.

SEC. 31. Section 10427.1 of the Streets and Highways Code is amended to read:

10427.1. (a) If there is no supplemental assessment, the entire amount of the surplus shall be applied as a credit to the assessment or, as an alternative, any portion of the surplus may be used to call outstanding bonds. If any supplemental assessment has been levied, any portion of the surplus shall be applied as a credit to the assessment or supplemental assessment, or both, or, as an alternative, may be used to call outstanding bonds, as the legislative body may determine. Any credit upon the assessment or any supplemental assessment shall be made in the proportion which each individual assessment, or installment of principal thereof, bears to the total of all individual assessments in the assessment or supplemental assessments upon which the surplus is to be credited. Any bonds called pursuant to this section shall be selected in accordance with Section 8768.

(b) Where an individual assessment, or any installment of the principal thereof, has been paid in cash, the credit shall be returned in cash to the person or persons paying the assessment upon their furnishing satisfactory evidence of payment.

(c) Where all or any part of an individual assessment remains unpaid, if the individual assessment is not payable in installments, the credit shall be applied in its entirety upon the individual assessment.

(d) Where all or any part of an individual assessment remains unpaid and is payable in installments, the amount apportioned to each parcel shall be credited against the next installment or installments unpaid upon it after the two-year period specified in this subdivision. When any of the surplus is to be applied as a credit upon the assessment, payable in installments, no credit may be paid or credited as provided in this section until after a period of two years from the date of receipt of proceeds of the sale of bonds by the legal entity conducting the proceedings.

(e) There shall be transferred to the general fund of the city (1) any portion of the surplus which has not been paid to or claimed by the persons entitled thereto within four years from the date of recordation of the assessment and any supplemental assessment or, if bonds have been issued, within four years after the due date of the last installment upon the bonds or of the last principal coupon attached thereto, and (2) any interest earned from the investment of any moneys constituting all or any part of the surplus when the surplus attributable to an individual remaining assessment is fifty dollars ($50) or less. If the surplus attributable to an individual remaining assessment is greater than fifty dollars ($50), any interest earned thereon, less administrative cost of investing and crediting, shall be applied as a credit to the assessment.

SEC. 32. Section 22525 of the Streets and Highways Code is amended to read:

22525. "Improvement" means one or any combination of the following:

(a) The installation or planting of landscaping.

(b) The installation or construction of statuary, fountains, and other ornamental structures and facilities.

(c) The installation or construction of public lighting facilities, including, but not limited to, traffic signals.

(d) The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.

(e) The installation of park or recreational improvements, including, but not limited to, all of the following:

(1) Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.

(2) Lights, playground equipment, play courts, and public restrooms.

(f) The maintenance or servicing, or both, of any of the foregoing.

(g) The acquisition of land for park, recreational, or open-space purposes.

SEC. 33. Section 7⅞ of the Knight's Landing Ridge Drainage District Act (Chapter 99 of the Statutes of 1913) is amended to read:

Sec. 7⅞. In collecting an assessment for maintenance and repair

of the works of the district and incidental expenses of the district, the board of drainage commissioners may, in any year, elect to utilize the tax bills of Colusa and Yolo Counties, and may impose a penalty and interest upon delinquent assessments, in the manner prescribed for reclamation districts as set forth in Division 15 (commencing with Section 50000) of the Water Code, and all amendments thereto.

SEC. 34. Section 7⅝ of the Sacramento River West Side Levee District Act (Chapter 361 of the Statutes of 1915) is amended to read:

Sec. 7⅝. In collecting an assessment for maintenance and repair of the works of the district and incidental expenses of the district, the board of levee commissioners may, in any year, elect to utilize the tax bills of Colusa and Yolo Counties, and may impose a penalty and interest upon delinquent assessments, in the manner prescribed for reclamation districts as set forth in Division 15 (commencing with Section 50000) of the Water Code, and all amendments thereto.

CHAPTER 105

An act to amend Sections 14525, 14526, 14527, 14529.6, 14530, 14531, and 14533 of, to add Sections 14524.16, 14526.5, and 14530.1 to, to repeal and add Sections 14524, 14525.1, 14529, and 14530.5 of, and to repeal Sections 14528 and 14533.1 of, the Government Code, to amend Sections 99312, 99313, 99313.3, 99313.6, 99315, 99315.5, 99316, 99317, 99317.2, and 99317.9 of, to add Section 99314.6 to, and to repeal Sections 99317.4, 99317.6, and 99317.8 of, the Public Utilities Code, to amend Section 7102 of, and to repeal and add Sections 7351, 7351.5, and 7653 of, the Revenue and Taxation Code, and to amend Sections 167, 188.8, 2600, 2601, and 2602 of, to amend the heading of Chapter 16 (commencing with Section 2600) of Division 3 of, to add Sections 164.2, 164.3, 164.10, 164.11, 164.12, 164.13, 164.14, 164.15, 164.16, 164.17, 164.18, 164.19, 164.20, and 2105 to, to repeal and add Sections 164 and 182.5 of, and to repeal Section 167 of, the Streets and Highways Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the Kopp-Katz-Baker Transportation Blueprint for the Twenty-First Century.

SEC. 2. Section 14524 of the Government Code is repealed.

SEC. 3. Section 14524 is added to the Government Code, to read:

14524. (a) Not later than November 15, 1989, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a seven-year estimate in annual elements of all federal

and state funds reasonably expected to be available in each county for programming in the state transportation improvement program in order that the commission may provide estimates pursuant to Section 14525.

(b) The estimate shall specify the amounts expected to be available for each program element, as defined in Section 164 of the Streets and Highways Code, in the state transportation improvement program.

(c) The department shall inform the commission if the state goals for any of the subprogram elements which may not be met over the next 10 years under the fund estimate being submitted.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

(e) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing statutes. The department, after giving notice to the transportation and the budget committees of the Senate and Assembly, may provide a contingency estimate which will specify probable increases or decreases in revenues on the basis of existing tax rates.

SEC. 4. Section 14524.16 is added to the Government Code, to read:

14524.16. (a) The department shall, as part of the reports required pursuant to Sections 14524.15 and 14525.5, report on its costs of project development for all state transportation improvement program projects awarded during the previous fiscal year.

(b) For purposes of this section, "costs of project development" includes all noncapital costs incurred by the department from completion of the project study report through the award of the construction contract.

The costs of project development include the prorated share of distributed departmental administration, as identified in the Governor's proposed budget, attributable to these project development activities. The calculation of the prorated share of departmental administration shall exclude tort payments, costs of legal services associated with those payments, and central administrative services.

(c) The department shall attempt to keep its cost of project development, as defined in subdivision (b), from exceeding 20 percent of the value of state transportation improvement program projects, including right-of-way costs, awarded during the previous fiscal year, except for those projects where the department has provided design oversight only or has not been the responsible agency for project design.

The average cost of project delivery for the three previous fiscal years shall not exceed the 20 percent target.

(d) The Legislative Analyst shall include an assessment of the department's costs of project development as part of its annual

analysis of the Governor's proposed budget.

SEC. 5. Section 14525 of the Government Code is amended to read:

14525. (a) Not later than December 15, 1989, and August 15 of each odd-numbered year thereafter, the commission shall adopt and provide, to the transportation planning agencies and county transportation commissions, a seven-year estimate of all state and federal funds reasonably expected to be available to each county for each program element, as defined in Section 164 of the Streets and Highways Code, in the state transportation improvement program.

(b) The commission shall inform the Legislature if the state goals for any of the subprogram elements may not be met over the next 10 years under the fund estimate being adopted.

(c) The commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances.

(d) The commission shall not adopt a fund estimate pursuant to subdivision (e) of Section 14524, unless the commission notifies the transportation and the budget committees of the Senate and Assembly of its intent to adopt a fund estimate based on the contingency estimates.

SEC. 6. Section 14525.1 of the Government Code is repealed.

SEC. 7. Section 14525.1 is added to the Government Code, to read:

14525.1. The department and the commission shall use an inflation rate that has been established by the Department of Finance. The Department of Finance shall consult with the Legislative Analyst and the Department of Transportation when calculating the inflation rate for this purpose.

SEC. 8. Section 14526 of the Government Code is amended to read:

14526. (a) Not later than April 1, 1990, and each December 1 of each odd-numbered year thereafter, the department shall submit, to the commission and all transportation planning agencies and county transportation commissions, its proposed state transportation improvement program consisting of all of the following:

(1) Projects on the interregional road system included in the list developed in accordance with Section 164.3 of the Streets and Highways Code.

(2) Projects on the intercity rail system.

(3) Retrofit soundwalls in accordance with the priorities established pursuant to Section 215.5 of the Streets and Highways Code.

(4) Recommendation of projects on state highways which should receive a higher priority than projects proposed in a regional transportation improvement program.

(5) Projects to be funded from the Toll Bridge Account in the State Transportation Fund.

(6) Projects to be funded from the Aeronautics Account in the State Transportation Fund.

(b) Not later than April 1, 1990, and December 1 of each odd-numbered year thereafter, the department, in consultation with transportation planning agencies and county transportation commissions, shall submit to the commission its recommendations for inclusion in the list of projects pursuant to Section 14530.5. The department's recommendations shall be consistent with the requirements of Section 14530.5.

SEC. 9. Section 14526.5 is added to the Government Code, to read:

14526.5. (a) The department shall prepare and submit to the commission a highway systems operation and protection plan for the expenditure of transportation funds for major capital improvements that are not included in the state transportation improvement program pursuant to Section 14529. The plan shall be submitted to the commission not later than December 1 of each odd-numbered year and shall include projects that have been identified to begin construction within four fiscal years, starting July 1 of the year following the year the plan is submitted.

(b) The plan shall include a list of projects which are expected to be advertised prior to July 1 of the year following submission of the plan, but for which the commission has not yet allocated funds.

(c) In adopting the plan, the commission may modify the department's recommendation if it finds an urgent need within a county minimum allocation to fund a project in another program element.

(d) The commission shall adopt and submit the plan to the Legislature and the Governor not later than April 1 of each year.

SEC. 10. Section 14527 of the Government Code is amended to read:

14527. (a) After consulting with the department, the transportation planning agencies and county transportation commissions in urbanized areas of over 50,000 population, and counties electing to prepare a regional transportation improvement program for that county pursuant to subdivision (d) of Section 65082, shall adopt and submit to the commission and department, not later than April 1, 1990, and December 1 of each odd-numbered year thereafter, a transportation improvement program in conformance with Section 65082. Other information, including a program for expenditure of local or federal funds, may be submitted for information purposes with the program, but only at the discretion of the transportation planning agencies or the county transportation commissions. Except for the information submitted at the discretion of the transportation planning agencies and county transportation commissions, the transportation improvement program submitted by the transportation planning agencies and county transportation commissions may not exceed, for local assistance projects, by more than 25 percent, the estimate of funds for those projects made by the

commission pursuant to Section 14525.

(b) The transportation planning agencies and county transportation commissions in urbanized areas of over 50,000 population may submit to the commission and the department their recommendations for inclusion in the list of projects pursuant to Section 14530.5. The recommendations shall be consistent with the requirements of Section 14530.5.

(c) In all other areas of the state, the department, in cooperation with the counties, shall prepare regional transportation improvement programs on a state transportation district basis.

SEC. 11. Section 14528 of the Government Code is repealed.

SEC. 12. Section 14529 of the Government Code is repealed.

SEC. 13. Section 14529 is added to the Government Code, to read:

14529. (a) The commission shall adopt and submit to the Legislature and the Governor not later than August 1, 1990, and April 1 of each even-numbered year thereafter, a state transportation improvement program. The program shall cover a period of seven years, beginning with July 1 of the year it is adopted, and shall be a statement of intent by the commission for the allocation of funds during those seven years.

(b) The state transportation improvement program shall include all major projects, as determined by the commission, to be funded from state transportation funds, including revenues from transportation bond acts allocated by the commission during those seven years, and shall be limited to intercity, commuter and urban rail capital improvements, flexible congestion relief, interregional road systems, and retrofit soundwalls.

(c) The state transportation improvement program shall include a list of projects which are expected to be advertised prior to July 1 of the year of adoption, but for which the commission has not yet allocated funds.

(d) Prior to the adoption of the state transportation improvement program, the commission shall hold at least one hearing in northern California and one hearing in southern California to reconcile any objections by any county or regional agency to the department's program or the department's objections to any regional program.

(e) The projects included in the adopted state transportation improvement program shall be limited to those projects that are included in the immediately prior state transportation improvement program and projects submitted or recommended pursuant to Sections 14526 and 14527.

(f) In no event shall the state transportation improvement program exceed the funds reasonably expected to be available as set forth in the estimate adopted pursuant to Section 14525.

(1) The state transportation improvement program is a schedule for project delivery and shall specify the year of delivery. Each project to be included in the program shall include the escalated current cost of the project updated to at least November 1 of the preceding year. While it is recognized that the initial escalated

current cost cannot be based on a full study of all aspects of the project, nevertheless, any project previously included in a program, where the state and federal share of the latest escalated current cost exceeds 120 percent of the state and federal share of the project's base cost, shall not be included in the next adopted program unless the commission determines that the project is the most cost-effective of all the projects in the county that are not included in the program. The project's base cost shall be the cost at which the project was originally placed in the program or the cost established by the commission upon its determination that this project is the most cost-effective for projects that have been reviewed under this section, whichever is higher.

(2) If, as a result of cost increases, funding restrictions require the delay of projects, the commission shall give consideration to delaying projects with the greatest cost increases.

SEC. 14. Section 14529.6 of the Government Code is amended to read:

14529.6. (a) Funds in the State Highway Account in the State Transportation Fund shall be programmed, budgeted, and expended to maximize the use of federal funds and shall be based on the following sequence of priorities:

(1) Operation, maintenance, and rehabilitation of the state highway system.

(2) Safety improvements where physical changes, other than adding additional lanes, would reduce fatalities and the number and severity of injuries.

(3) Flexible congestion relief, traffic system management projects, interregional roads, and public mass transit guideways.

(4) Environmental enhancement and mitigation program.

(5) Compatibility improvements, including landscaping and noise attenuation barriers.

(b) For the state transportation improvement program, the department shall recommend, and the commission shall include, to the extent feasible, projects in all categories specified in subdivision (a).

(c) Subject to Sections 188 and 188.8 of the Streets and Highways Code, projects included in the state transportation improvement program shall be based on objective criteria that are relevant to the project. The objective criteria used shall be stated for each project.

(d) The primary objective of the State Highway System is to facilitate interregional travel and commerce. New facilities shall be programmed consistent with this objective, and the department and the commission shall assign the highest priority to those projects that facilitate interregional travel.

SEC. 15. Section 14530 of the Government Code is amended to read:

14530. The commission may deviate, in the adoption of the state transportation improvement program, from a regional transportation improvement program based on a finding that there

(a) are inconsistencies between the program and the appropriate guidelines, (b) are insufficient funds available to implement the program, (c) are conflicts between the regional transportation improvement programs, (d) are conflicts between a regional transportation improvement program and the department's recommendations in its transportation improvement program, (e) is an overriding state need for a project to adequately accommodate interregional traffic, or (f) is no adopted congestion management program for a county in which a project is proposed.

SEC. 16. Section 14530.1 is added to the Government Code, to read:

14530.1. (a) The department, in cooperation with the commission, transportation planning agencies, and county transportation commissions and local governments, shall develop guidelines for the development of the state transportation improvement program, the regional transportation improvement program, and the incorporation of projects from the congestion management programs that are eligible for state funding into the regional transportation improvement program.

(b) The guidelines shall include, but not be limited to all of the following:

(1) Standards for project deliverability.

(2) Standards for determining the priority of projects within the county, within a region, and within a county group.

(3) Procedures for incorporating projects from the congestion management program into the regional transportation improvement program.

(4) Standards for identifying projects.

(5) Standards for cost estimating.

(6) Programming methods for increases and schedule changes.

(c) The guidelines shall be submitted to the commission by July 1, 1990. After conducting at least one hearing in northern California and one in southern California, the commission shall adopt the guidelines by September 1, 1990.

SEC. 17. Section 14530.5 of the Government Code is repealed.

SEC. 18. Section 14530.5 is added to the Government Code, to read:

14530.5. (a) The department may perform project development work, as defined in Section 14524.16, for state highway capacity enhancement projects that are not included in the adopted state transportation improvement program if all of the following requirements are complied with:

(1) Because of the complexity of the project, the department's estimate of the amount of time necessary to complete project development exceeds seven years.

(2) There are demonstrable practical reasons why certain phases of the project development work to be done early. These reasons include, but are not limited to, assisting local agencies in the circulation element of their general plan, preservation of the

right-of-way, opportunities to mitigate adverse environmental impacts.

(3) The department shows evidence of substantial cost saving as a result of early start on the project development work.

(4) The work is limited to what is necessary to make the project eligible for inclusion in a subsequent state transportation improvement program.

(5) The work does not interfere with or delay work on projects that are included in the adopted state transportation improvement program.

(6) Funding for the work is provided in the Budget Act.

(7) A request to perform the project development work, and the supporting documents therefor, are submitted to the commission.

(8) The commission verifies that the conditions specified in paragraphs (1) to (7), inclusive, are complied with.

(9) The commission and the department limit the number of projects qualifying under this section to an absolute minimum, consistent with availability of funds and project development staff available to the department.

(b) This section does not prohibit project development work on any of the following projects if the project meets the conditions specified in paragraphs (5), and (6) of subdivision (a):

(1) A project which is not required to be included in the state transportation improvement program.

(2) A capacity enhancement project on state highways to be funded by others.

(3) An interregional road system project included in the list submitted to the commission pursuant to Section 164.3 of the Streets and Highways Code.

SEC. 19. Section 14531 of the Government Code is amended to read:

14531. The commission may (1) amend the state transportation improvement program as it deems appropriate or (2), upon the recommendation of the department, amend the highway systems and operations plan.

Public notice of the proposed amendments to the program or the plan shall be made at least 30 days before the commission takes formal action on the proposed amendments. The notice shall include the text and complete description of the proposed amendments.

SEC. 20. Section 14533 of the Government Code is amended to read:

14533. The commission shall allocate funds for transportation projects consistent with those provisions of the current and prior Budget Acts that apply to the use of the appropriated funds to be allocated. The commission shall not allocate funds for major projects required to be in a state transportation improvement program, or in the department's highway systems operation and protection plan, that are not included in the adopted state transportation improvement program or in the department's highway systems

operation and protection plan, except as follows:

(a) The allocation is necessary for a response to an emergency condition which has placed either people or property in jeopardy or which has caused or threatens to cause closure of a critical state transportation facility or access to it.

(b) Costs will be significantly increased if the project is delayed pending amendment to the program.

(c) When bids are opened, it is necessary to obtain an additional allocation which will make the project a major project and the delay in amending the program will increase the cost of the project significantly.

(d) The allocation is to supplement funding for an advertised project.

SEC. 21. Section 14533.1 of the Government Code is repealed.

SEC. 22. Section 99312 of the Public Utilities Code is amended to read:

99312. From the funds transferred to the account pursuant to subdivisions (a) and (b) of Section 7102 of the Revenue and Taxation Code, the Legislature shall appropriate funds for purposes of Section 99315.5. The remaining funds in the account shall be appropriated by the Legislature, as follows:

(a) To the department, 50 percent for purposes of Section 99315.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

SEC. 23. Section 99313 of the Public Utilities Code is amended to read:

99313. From the funds made available pursuant to subdivision (c) of Section 99312, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, based on the ratio of the population of the area under its jurisdiction to the total population of the state.

SEC. 24. Section 99313.3 of the Public Utilities Code is amended to read:

99313.3. The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Sections 99313 and 99314 shall be allocated for public transportation purposes, including community transit services, except in a county with a population of less than 500,000, as determined by the 1970 federal decennial census, or with 4,500 miles of maintained county roads as of 1970, the amount may be allocated, in whole or in part, for street and road purposes. Funds received pursuant to Section 99314 may be

expended for community transit services pursuant to Section 99275.

SEC. 25. Section 99313.6 of the Public Utilities Code is amended to read:

99313.6. (a) Except as provided in subdivision (b), each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, shall create a state transit assistance fund and deposit therein the funds allocated to it pursuant to Sections 99313 and 99314 for allocations to operators, and to counties and cities for the purposes specified in Section 99400, within the area on which its allocation was determined.

(b) From funds allocated to it pursuant to Sections 99313 and 99314, the Los Angeles County Transportation Commission may allocate funds to itself for the planning, design, and construction of an exclusive public mass transit guideway system.

SEC. 26. Section 99314.6 is added to the Public Utilities Code, to read:

99314.6. (a) Except as provided in subdivision (b), funds shall not be allocated pursuant to Sections 99313 and 99314 to an operator whose subsidy per revenue vehicle hour in the budget year exceeds the sum of the operator's subsidy per revenue vehicle hour in the previous year and an amount equal to 90 percent of the change in the Consumer Price Index multiplied by the previous year's subsidy per revenue vehicle hour. The Consumer Price Index used for each operator shall be the regional index for the operator's region.

(b) An operator which does not qualify for operating funds pursuant to subdivision (a) may request a recalculation which excludes certain costs from the calculation of the operator's subsidy. A portion of the costs of fuel, insurance, and compliance with state or federal mandates may be excluded if the cost of any of these items has increased by more than 90 percent of the regional Consumer Price Index. The portion that may be excluded is that portion in excess of the 90 percent level for any of these items. If, after that recalculation, the operator is not disqualified under subdivision (a), the operator shall be eligible for an allocation pursuant to Sections 99313 and 99314.

(c) The transportation planning agency may make a one-time adjustment in an operator's subsidy calculation to account for new voter-approved tax revenues made available to an operator.

(d) As used in this section:

(1) "Revenue" means passenger and nonpassenger revenues, but does not include proceeds of any taxes allocated to the operator.

(2) "Revenue vehicle hour" means a transit vehicle operated in revenue service for one hour.

(3) "Subsidy" means the total operating cost less passenger and nonpassenger revenues earned by the operator.

SEC. 27. Section 99315 of the Public Utilities Code is amended to read:

99315. Funds made available pursuant to subdivision (a) of

Section 99312, shall be available for all of the following:

(a) Bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

(b) Funding of transit capital improvement projects specified in Section 99317.

(c) Programs to promote ridesharing.

SEC. 28. Section 99315.5 of the Public Utilities Code is amended to read:

99315.5. From the funds made available pursuant to Section 99312, an amount shall be appropriated for each of the following purposes:

(a) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(b) To the director for allocation to the Institute of Transportation Studies of the University of California for training and research in public transportation systems engineering and management and coordination with other transportation modes.

(c) To the commission for its activities not payable from the State Highway Account.

(d) To the Public Utilities Commission for its passenger rail responsibilities specified in statute.

SEC. 29. Section 99316 of the Public Utilities Code is amended to read:

99316. Funds made available pursuant to subdivision (a) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, for purposes of bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

SEC. 30. Section 99317 of the Public Utilities Code is amended to read:

99317. (a) Funds made available pursuant to subdivision (b) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, to fund the following types of transit capital improvement projects:

(1) Railroad rights-of-way acquisition.

(2) Exclusive public mass transit guideways and rolling stock.

(3) Intermodal transfer stations serving various transportation modes.

(b) Funds made available pursuant to Sections 199 and 199.1 of the Streets and Highways Code shall be appropriated to the department for allocation, as directed by the commission, solely to fund exclusive public mass transit guideways.

(c) The amount of funds allocated for a transit capital improvement project pursuant to this section shall not exceed 50 percent of the amount of the nonfederal share of project cost. This requirement shall not apply to projects for intercity rail as defined in Section 164.55 of the Streets and Highways Code.

SEC. 31. Section 99317.2 of the Public Utilities Code is amended to read:

99317.2. Funds made available pursuant to paragraph (1) of subdivision (a) of Section 99317 shall be allocated for the acquisition of only those rights-of-way of railroad lines that can be developed for busway or exclusive public mass transit guideway projects.

SEC. 32. Section 99317.4 of the Public Utilities Code is repealed.

SEC. 33. Section 99317.6 of the Public Utilities Code is repealed.

SEC. 34. Section 99317.8 of the Public Utilities Code is repealed.

SEC. 35. Section 99317.9 of the Public Utilities Code is amended to read:

99317.9. The department and the commission shall give reasonable priority to allocations pursuant to paragraph (3) of subdivision (a) of Section 99317 to station projects which improve access for visitors to state prisons.

SEC. 36. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, and pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the 4¾-percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance and shall be transferred during each fiscal year to the Transportation Planning and Development Account in the State Transportation Fund for appropriation pursuant to Section 99312 of the Public Utilities Code.

(2) All revenues, less refunds, due to the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) shall be transferred during each fiscal year to the Transportation Planning and Development Account for appropriation pursuant to Section 99312 of the Public Utilities Code.

(b) All revenues, less refunds, derived under this part at the 4¾ percent rate, resulting from increasing, after December 31, 1989, the rate of the tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred during each fiscal year to the Transportation Planning and Development Account for appropriation pursuant to Section 99312 of the Public Utilities Code.

(c) The balance shall be transferred to the General Fund.

(d) The estimate required by subdivisions (a) and (b) shall be based on taxable transactions occurring during a calendar year, and

the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1) and (2) of subdivisions (a) and (b) shall be made quarterly.

SEC. 37. Section 7351 of the Revenue and Taxation Code is repealed.

SEC. 38. Section 7351 is added to the Revenue and Taxation Code, to read:

7351. (a) For the privilege of distributing motor vehicle fuel, a license tax is hereby imposed upon distributors for each gallon of fuel distributed at the following rate per gallon:

(1) Fourteen cents ($0.14) during 1990, on and after August 1.

(2) Fifteen cents ($0.15) during 1991.

(3) Sixteen cents ($0.16) during 1992.

(4) Seventeen cents ($0.17) during 1993.

(5) Eighteen cents ($0.18) on or after January 1, 1994.

(b) If the federal fuel tax is reduced below the rate of nine cents ($0.09) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by this section, on and after the date of the reduction, shall be increased by an amount so that the combined state and federal tax rate per gallon equals the following:

(1) Twenty-three cents ($0.23) during 1990, on and after August 1.

(2) Twenty-four cents ($0.24) during 1991.

(3) Twenty-five cents ($0.25) during 1992.

(4) Twenty-six cents ($0.26) during 1993.

(5) Twenty-seven cents ($0.27) on and after January 1, 1994.

(c) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be so exempt under this section.

SEC. 39. Section 7351.5 of the Revenue and Taxation Code is repealed.

SEC. 40. Section 7351.5 is added to the Revenue and Taxation Code, to read:

7351.5. (a) For the privilege of storing for the purpose of sale or use in the propulsion of a motor vehicle on a highway, every person, except a duly licensed distributor, the government of the United States or any agency thereof, this state or any county, city and county, city, district, or any other political subdivision or agency of this state:

(1) Owning 1,000 gallons or more thereof on August 1, 1990, shall pay a tax of five cents ($0.05) for each gallon of the fuel according to the volumetric measure thereof, on which a license tax not exceeding nine cents ($0 09) has been imposed under Section 7351.

(2) Owning 1,000 gallons or more thereof on January 1, 1991, shall pay a tax of one cent ($0.01) for each gallon of the fuel according to the volumetric measure thereof, on which a license tax not exceeding fourteen cents ($0.14) has been imposed under Section 7351.

(3) Owning 1,000 gallons or more thereof on January 1, 1992, shall pay a tax of one cent ($0.01) for each gallon of the fuel according to the volumetric measure thereof, on which a license tax not exceeding fifteen cents ($0.15) has been imposed under Section 7351.

(4) Owning 1,000 gallons or more thereof on January 1, 1993, shall pay a tax of one cent ($0.01) for each gallon of the fuel according to the volumetric measure thereof, on which a license tax not exceeding sixteen cents ($0.16) has been imposed under Section 7351.

(5) Owning 1,000 gallons or more thereof on January 1, 1994, shall pay a tax of one cent ($0.01) for each gallon of the fuel according to the volumetric measure thereof, on which a license tax not exceeding seventeen cents ($0.17) has been imposed under Section 7351.

(b) For purposes of subdivision (a), "storing" includes the possession in a container of any kind, including the fuel tanks of motor vehicles, of motor vehicle fuel and the fuel purchased from, and invoiced by, the seller prior to the date specified in the applicable paragraph of subdivision (a) and in transit on that date.

For purposes of subdivision (a), "owning" includes having title to, possession of as a consignee or agent, or any other possessory or beneficial interest in, motor vehicle fuel.

SEC. 41. Section 7653 of the Revenue and Taxation Code is repealed.

SEC. 42. Section 7653 is added to the Revenue and Taxation Code, to read:

7653. Each person subject to the tax imposed under Section 7351.5, within one month following the date of imposition of the tax, shall prepare and file with the board, on forms prescribed by the board, a return showing the total number of gallons of motor vehicle fuel owned by the person on the date of imposition of the tax for which a license tax has been imposed under Section 7351, the amount of the license tax imposed, and any other information that the board deems necessary for the proper administration of this part.

The return shall be accompanied by a remittance payable to the Controller in the amount of tax due.

SEC. 43. Section 164 of the Streets and Highways Code is repealed.

SEC. 44. Section 164 is added to the Streets and Highways Code, to read:

164. (a) The Legislature, through the enactment of this section, intends to establish a 10-year state transportation funding plan. This plan is to be based on the best available estimate of state and federal funds and a statement of legislative priorities for the next 10 years. It is recognized that, in a changing environment such as California, periodic reviews and revisions will be necessary.

This plan is being established so that the Legislature and the administration can plan for an orderly and predictable revenue stream and that local and regional governments, as well as the private sector, can better plan for their transportation needs.

(b) The estimated new revenues to be available for expenditure

for state highways, local programs, and public mass transit purposes during the 10-year period from July 1, 1990, to June 30, 2000, inclusive, is $18.5 billion.

(c) The estimate of annual expenditures by the department for administration, maintenance, and operations is to be at the level sufficient to maintain the current level of services, having first restored all budget reductions required to balance the 1989–90 fiscal year budget. The estimate may be adjusted to reflect increases to maintenance inventories caused by newly completed state highway projects, inflationary changes, tort liabilities, court mandated changes, new legislative mandates, and other adjustments necessary to maintain the current overall level of services.

(d) New revenues, as a result of the enactment of transportation revenue measures in 1989, including general obligation bonds authorized by the Legislature and approved by the voters, shall be expended as follows:

(1) Three billion five hundred million dollars ($3,500,000,000) for funding the 1988 State Transportation Improvement Program shortfall.

(2) Three billion dollars ($3,000,000,000) for intercity rail, commuter rail, and urban rail transit.

(3) One billion two hundred fifty million dollars ($1,250,000,000) for interregional roads.

(4) One billion dollars ($1,000,000,000) for traffic system management.

(5) Three billion dollars ($3,000,000,000) for flexible congestion relief.

(6) Three billion dollars ($3,000,000,000) for subvention to counties and cities pursuant to Section 2105.

(7) Two billion dollars ($2,000,000,000) for state-local transportation partnership.

(8) One hundred fifty million dollars ($150,000,000) for retrofit soundwalls. It is the intent of the Legislature that this amount, together with the soundwall projects funded in the 1988 State Transportation Improvement Program, will complete all retrofit soundwalls on the priority list established on May 3, 1989, pursuant to Section 215.5.

(9) One hundred million dollars ($100,000,000) for environmental enhancement and mitigation program.

(10) Five hundred million dollars ($500,000,000) for transit operations and capital improvements.

(11) One billion dollars ($1,000,000,000) for maintenance and rehabilitation of state highways, although the Legislature recognizes that the total rehabilitation cost is three billion eight hundred million dollars ($3,800,000,000).

(e) The amounts included in the funding plan specified in subdivision (d) are inclusive of all cost, including, but not limited to, environmental studies, engineering, plans, estimates, and right-of-way costs.

SEC. 45. Section 164.2 is added to the Streets and Highways Code, to read:

164.2. (a) Flexible congestion relief projects are those projects designed to reduce or avoid congestion on existing routes by increasing the capacity of the transportation system, including new facilities.

(b) The department, in cooperation with local transportation officials, shall develop guidelines to implement the Flexible Congestion Relief Program. The guidelines shall identify the types of projects qualifying for funding under the program, which shall be based on the effectiveness of relieving traffic congestion. The guidelines shall determine the criteria to be used in setting the priorities for funding the projects. The criteria shall be based on the most cost-effective system which integrates the movement of people and goods on any route and is coordinated with connector routes and traffic generation sources.

(c) The department shall submit the guidelines to the commission by July 1, 1990. The commission shall adopt the guidelines by September 1, 1990.

(d) Projects qualifying under the program shall be separately identified in any transportation improvement program proposed or adopted by any agency proposing or adopting a transportation improvement program, the department, or the commission.

(e) When selecting among competing projects that serve the same transportation demand, the commission shall base its selection on cost effectiveness.

(f) Funds appropriated for the program shall be allocated by the commission to projects on city streets, county highways, state highways, and commuter rail and urban rail corridors which qualify under the adopted guidelines and are included in the state transportation improvement program. The commission shall give priority to funding projects in counties and cities that have an adopted congestion management program and are fully cooperating in the implementation of traffic systems management projects.

SEC. 46. Section 164.3 is added to the Streets and Highways Code, to read:

164.3. (a) The department shall develop an interregional road system plan to be submitted to the Legislature not later than February 1, 1990.

(b) The plan shall identify projects on which construction can be started not later than June 30, 2000, which will provide the most adequate interregional road system to all economic centers in the state. The projects shall be on eligible routes identified pursuant to subdivision (e). The projects shall be on routes located outside the boundaries of urbanized areas of over 50,000 population as designated by the most recent census of the Bureau of the Census, except as necessary to provide connections for continuation of the routes within those urban areas.

(c) From the projects contained in the plan, the department shall

by August 1, 1990, and by December 1 of each odd-numbered year thereafter, submit to the commission a list of projects included in the plan which will improve the interregional road system which can be constructed within the funding levels specified in Section 164 of this code and consistent with the funding estimate prepared pursuant to Section 14525 of the Government Code. The projects shall be limited to meeting the needs of interregional traffic, excluding traffic generated as a result of local growth.

(d) The commission may substitute projects from projects included in the plan if the department concurs that the change will maintain interregional road system integrity.

(e) The eligible routes are those specified in Sections 164.10 to 164.20, inclusive.

SEC. 47. Section 164.10 is added to the Streets and Highways Code, to read:

164.10. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 1.

Route 2, between the north urban limits of Los Angeles-Long Beach and Route 138.

Route 4, between the east urban limits of Antioch-Pittsburg and Route 89.

Route 5.

Route 6.

Route 8.

Route 9, between the north urban limits of Santa Cruz and the south urban limits of San Jose.

Route 10, between the east urban limits of San Bernardino-Riverside and the Arizona state line.

SEC. 48. Section 164.11 is added to the Streets and Highways Code, to read:

164.11. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 12.

Route 14.

Route 15.

Route 16, between the east urban limits of Sacramento and Route 49.

Route 17, between the north urban limits of Santa Cruz and the south urban limits of San Jose.

Route 18, between the north urban limits of San Bernardino-Riverside and Route 15.

Route 20.

Route 28.

Route 29.

SEC. 49. Section 164.12 is added to the Streets and Highways Code, to read:

164.12. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 36, between Route 5 and Route 395.

Route 37, between the east urban limits of San Francisco-Oakland near Novato and the west urban limits of San Francisco-Oakland near Vallejo.

Route 38, between the east urban limits of San Bernardino-Riverside and Route 18 west of Big Bear Lake.

Route 40.

Route 41, between Route 1 and Yosemite National Park.

Route 44, between the east urban limits of Redding and Route 36.

Route 46, between Route 1 and Route 5.

Route 49, between Route 41 and Route 89.

SEC. 50. Section 164.13 is added to the Streets and Highways Code, to read:

164.13. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 50.

Route 53.

Route 58, between Route 5 and Route 15.

Route 62.

Route 63, between the north urban limits of Visalia and Route 180.

Route 65, between the north urban limits of Bakersfield and Route 198 near Exeter.

Route 68.

SEC. 51. Section 164.14 is added to the Streets and Highways Code, to read:

164.14. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 70, between Route 149 north of Oroville and Route 395.

Route 74.

Route 78.

Route 79, between Route 8 and Route 15.

Route 80.

Route 86, between Route 111 in Brawley and Route 10.

Route 88.

Route 89.

SEC. 52. Section 164.15 is added to the Streets and Highways Code, to read:

164.15. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 95, between Route 10 and the Nevada state line.

Route 97.

Route 99, with routing to be determined via Route 70 or via Route 99 between Route 70 north of Sacramento and Route 149 north of

Oroville.

Route 101.

Route 108, between Route 120 at Yosemite Junction and Route 395.

Route 111, between the Mexico border near Calexico and Route 10 near Whitewater.

Route 113, between Route 80 and Route 5.

Route 116, between Route 1 and Route 12.

SEC. 53. Section 164.16 is added to the Streets and Highways Code, to read:

164.16. For purposes of subdivision (e) of Section 164.3, the elgible interregional and intercounty routes include all of the following:

Route 120, between Route 5 and Route 395.

Route 126, between the east urban limits of Oxnard-Ventura-Thousand Oaks and Route 5.

Route 127.

Route 128.

Route 138, between Route 5 and Route 18.

Route 139, between Route 299 and the Oregon state line.

SEC. 54. Section 164.17 is added to the Streets and Highways Code, to read:

164.17. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 140, between the east urban limits of Merced and Yosemite National Park.

Route 146, between Route 101 and Pinnacles National Monument.

Route 149.

Route 152, between Route 101 and Route 99.

Route 154.

Route 156, between Route 1 and Route 152.

SEC. 55. Section 164.18 is added to the Streets and Highways Code, to read:

164.18. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 160, between the north urban limits of Antioch-Pittsburg and the south urban limits of Sacramento.

Route 168, between the east urban limits of Fresno and Route 168 at Florence Lake Road, and between Route 168 near Lake Sabrina and Route 395.

Route 178, between the east urban limits of Bakersfield and Route 14.

Route 180, between the east urban limits of Fresno and Kings Canyon National Park.

Route 190, between Route 65 and Route 127.

Route 198, between Route 5 and the Sequoia National Park.

Route 199.

SEC. 56. Section 164.19 is added to the Streets and Highways

Code, to read:

164.19. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 203.

Route 205.

Route 207.

Route 215.

Route 243.

Route 267.

Route 299, between Route 101 and Route 89, and between Route 139 and Route 395.

SEC. 57. Section 164.20 is added to the Streets and Highways Code, to read:

164.20. For purposes of subdivision (e) of Section 164.3, the eligible interregional and intercounty routes include all of the following:

Route 330, between the north urban limits of San Bernardino-Riverside and Route 18.

Route 371.

Route 395.

Route 505.

Route 580.

Route 680.

Route 905, except within the urban limits of San Diego.

SEC. 58. Section 167 of the Streets and Highways Code, as amended by Section 5 of Chapter 9 of the Statutes of 1988, is repealed.

SEC. 59. Section 167 of the Streets and Highways Code, as added by Section 6 of Chapter 9 of the Statutes of 1988, is amended to read:

167. With respect to the funds in the State Highway Account and in the Passenger Rail Bond Fund, the proposed budget shall be organized on a program basis. The proposed budget shall list the proposed expenditures for the transportation program under the following program elements:

(a) Administration.

(b) Program development.

(c) Maintenance.

(d) Operation.

(e) Traffic systems management.

(f) Flexible congestion relief.

(g) Interregional road system.

(h) Rehabilitation and safety.

(i) Intercity, commuter, and urban rail.

(j) State-local transportation partnership program.

(k) Environmental enhancement and mitigation programs.

(*l*) Soundwalls.

(m) Other highway construction.

The basis for defining major and minor capital outlay projects shall

be established by the commission.

The Legislative Analyst shall prepare a brief and concise analysis of the proposed expenditures for each program element as a part of the budget analysis.

SEC. 60. Section 182.5 of the Streets and Highways Code is repealed.

SEC. 61. Section 182.5 is added to the Streets and Highways Code, to read:

182.5. (a) It is the intent of the Legislature that, except for the transportation system management program, the intercity rail program, and the state-local transportation partnership program, funds which are to be allocated by the commission be programmed and spent in compliance with the requirements of Sections 188 and 188.8. To the extent that county minimums specified in Section 188.8 for the five-year period beginning on July 1, 1988, have not been adhered to in the State Transportation Improvement Program adopted by the commission on October 6, 1988, any individual county shortfall for that period shall be carried forward and be added to the following five-year period beginning on July 1, 1993.

(b) Upon adoption of the state transportation improvement program that encompasses all five years of the 1993–1994 to 1997–1998, inclusive, county minimum, the commission shall not allocate funds for any project unless the adopted state transportation improvement program is programmed to comply with the requirements of Sections 188 and 188.8.

(c) It is the intent of the Legislature that the funding plan in Section 164 be the overall state goal. The amount in each subprogram element may vary in each county.

(d) Following enactment of the 1991 Federal Surface Transportation Assistance Act, the commission, in consultation with the department and transportation planning agencies and county transportation commissions, shall analyze the impact of that federal act upon the commission's ability to comply with Sections 188 and 188.8 and submit to the Legislature, as soon as is practical, that analysis with any recommended statutory changes necessary to reconcile constraints on federal revenue with constraints on state revenue.

SEC. 62. Section 188.8 of the Streets and Highways Code is amended to read:

188.8. From the money expended pursuant to Section 188, the commission shall allocate and the department shall expend, or cause to be expended, in each county of County Group No. 1 and in each county of County Group No. 2 during the period commencing July 1, 1983, and ending June 30, 1988, and for each period of five years thereafter, not less than an amount computed as follows:

(a) The commission shall compute, for each period of five years an amount equal to 70 percent of the money to be expended in County Groups Nos. 1 and 2, respectively, as provided in Section 188.

(b) From the amount computed for County Group No. 1 in

subdivision (a) for each five-year period, the commission shall determine the minimum expenditure for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 1 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 1.

(c) From the amount computed for County Group No. 2 in subdivision (a) for each five-year period, the commission shall determine the minimum expenditure for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 2 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 2.

(d) A county board of supervisors may adopt a resolution to pool its county minimum expenditure with adjacent counties adopting similar resolutions. The resolution shall provide for pooling the county minimum expenditures for expenditure in any of the pooling counties for a five-year period and shall be submitted to the commission not later than May 1 immediately preceding the commencement of the five-year period.

(e) Except as provided in this subdivision, the entire obligation under a contract awarded or a day labor project commenced during any of the periods shall be deemed an expenditure within the period in which the contract was awarded or day labor project commenced. Obligations under contracts which have been awarded or day labor projects which have been commenced, but which are to be budgeted over more than one fiscal year pursuant to Section 170, shall be deemed expenditures in each of the fiscal years in which the work is to be performed in an amount equal to the final amount budgeted for each of the fiscal years for the work.

(f) For the purpose of this section, the population in each county is that determined by the last preceding federal census, or a subsequent census validated by the Population Research Unit of the Department of Finance, at the beginning of each five-year period.

(g) For the purpose of this section, "state highway miles," means the miles of state highways open to vehicular traffic at the beginning of each five-year period.

(h) It is the intent of the Legislature that there is to be flexibility in programming under this section and Section 188 so that, while ensuring that each county will receive an equitable share of state dollars, the types of projects selected and the programs from which they are funded may vary from county to county.

SEC. 63. Section 2105 is added to the Streets and Highways Code, to read:

2105. In addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7351 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Section 8651 of that code, the following apportionments shall be made:

(a) A sum equal to the net revenue from a tax of 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 7351 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 8651 of that code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars ($1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars ($1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (1) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to the net revenue from a tax of 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Section 7351 of the Revenue and Taxation Code, and 11.5 percent of any per gallon tax in excess of nine cents ($0.09) per gallon under Secton 8651 of that code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(c) In order to receive any allocation pursuant to this section, the city or county, as the case may be, shall annually expend from its general fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1987–88, 1988–89, and 1989–90 fiscal years, as reported to the Controller pursuant to Section 2151

SEC. 64. The heading of Chapter 16 (commencing with Section 2600) of Division 3 of the Streets and Highways Code is amended to read:

CHAPTER 16. STATE-LOCAL TRANSPORTATION PARTNERSHIP PROGRAM

SEC. 65. Section 2600 of the Streets and Highways Code is amended to read:

2600. (a) It is the intent of the Legislature to initiate a new state-local partnership for financing transportation improvement

projects. Locally funded and constructed highway and exclusive public mass transit guideway projects will provide economic and transportation benefits for the state and, therefore, it is appropriate to provide state matching funds for these projects.

(b) The state-local transportation partnership program is hereby created to carry out the intent of subdivision (a). The Legislature intends to appropriate a total of three hundred million dollars ($300,000,000) for the 1990–91 fiscal year and two hundred million dollars ($200,000,000) each fiscal year thereafter to implement this program.

SEC. 66. Section 2601 of the Streets and Highways Code is amended to read:

2601. For purposes of this chapter:

(a) "Applicant" means a city, a county, or any local entity that is authorized to impose taxes or fees and that has responsibility for constructing highways or exclusive public mass transit guideways.

(b) "Eligible project" means a local road, a state highway, or an exclusive public mass transit guideway improvement project that meets all of the following conditions:

(1) Upon completion of the project, it would constitute a usable segment that would increase the capacity of the highway or guideway or would extend service to new areas, or, in the case of a local road rehabilitation project, it would extend the useful life of the roadway by at least 10 years.

(2) The applicant has committed, or is capable of committing, to pay the local share from its local fund to complete the project.

(3) The project is not receiving any other state funds.

(4) The applicant has completed, or is capable of completing, all project development work so that the contracts for the project can be awarded within two years of the date that the project was submitted to the department pursuant to subdivision (a) of Section 2602.

(5) Improvements to state highways are consistent with state and federal standards, are designed to minimize long-term maintenance costs, and are approved by the department.

(c) "Local fund" means revenues from any locally imposed tax or fee.

(d) "Local share" means the total cost of completing the project, less any state matching funds applied for through this partnership program and any federal funds.

(e) "State share" means the amount of state funds applied for and in no case shall it exceed local share. The state share is not subject to the requirements of Sections 188 and 188.8.

SEC. 67. Section 2602 of the Streets and Highways Code is amended to read:

2602. The state-local transportation partnership program shall be implemented by the department and the applicants under the following procedures:

(a) Applicants shall submit applications for eligible projects to the

department not later than June 30.

(b) The department shall review the applications for consistency with the requirements of this chapter and shall compile a list of all eligible projects not later than December 31 of the year in which the application was submitted.

(c) (1) If the total state share for eligible projects exceeds the amount specified in subdivision (b) of Section 2600, the department shall compute the pro rata share of state funds to be available so that each eligible project would receive the same ratio of state share to local share.

(2) Not later than April 1 of the following year, each affected applicant shall inform the department whether or not it can proceed with the project with the lower state share. The department shall compile a new list of eligible projects consisting of those projects that were included in the original list and that the applicant has indicated it can proceed with the lower state share.

(3) Using the new list and the pro rata shares established pursuant to subdivision (b), the department shall compute the matching funds necessary and shall so inform the Legislature not later than May 1.

(d) The Legislature intends to appropriate a maximum of three hundred million dollars ($300,000,000) by June 30, 1990, and two hundred million dollars ($200,000,000) by June 30 of each year thereafter for this program.

(e) Construction contracts for projects on the eligibility list established pursuant to subdivision (b) or (c) shall be let not later than June 30 of the year following the year in which funds are appropriated pursuant to subdivision (d).

(f) The funds appropriated shall be spent not later than June 30 of the third year following the appropriation.

SEC. 68. Sections 37 to 42, inclusive, and Section 63 of this act shall not become operative unless Senate Constitutional Amendment 1 is approved by the voters at the June 5, 1990, direct primary election.

If Senate Constitutional Amendment 1 is approved, Sections 37 to 42, inclusive, and Section 63 shall become operative on August 1, 1990.

SEC. 69. Notwithstanding Section 68 of this act, this act shall not become operative unless Assembly Bill 471 is enacted and becomes operative.

SEC. 70. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act because additional revenues will be allocated under this act to local agencies which will exceed the costs mandated by the state under this act.

SEC. 71. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to revise the process of transportation funding, planning,

and implementation so as to efficiently, effectively, and economically address the growing traffic congestion in this state, and to utilize as soon as possible the additional state funds made available if the voters approve Senate Constitutional Amendment 1 of the 1989–90 Regular Session, it is necessary that this act take effect immediately.

CHAPTER 106

An act to amend Sections 14525.5 and 65080 of, to add Section 14529.01 to, to add Chapter 4 (commencing with Section 14550) to Part 5.3 of Division 3 of Title 2 of, to add Chapter 2.6 (commencing with Section 65088) to Division 1 of Title 7 of, and to repeal and add Sections 65081 and 65082 of, the Government Code, to repeal and add Section 8651 of the Revenue and Taxation Code, to amend Section 188 of, and to add Sections 164.1, 164.4, 164.50, 164.51, 164.52, 164.55, 164.56, and 2108.1 to, the Streets and Highways Code, and to repeal and add Section 9400 of the Vehicle Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the Katz-Kopp-Baker-Campbell Transportation Blueprint for the Twenty-First Century.

SEC. 2. Section 14525.5 of the Government Code is amended to read:

14525.5. (a) The department shall submit a project delivery report to the Governor and the Legislature not later than November 15 of each year. The report shall include all state highway projects that are included in the adopted state transportation improvement program costing one million dollars ($1,000,000) or more and for which the department is the responsible agency for project development work.

(b) For each of these projects, the report shall identify the milestone dates by month and year.

(c) For each fiscal year corresponding with the fiscal year used in programming the state transportation improvement program, the report shall identify the number of these projects which met one or more of the milestone dates. The report shall also identify each project where the department failed to meet one or more milestones. For each of those projects, the report shall identify the specific circumstances resulting in the delay, and present a plan to resolve any problems and a new schedule for delivery.

(d) For purposes of this section, each of the following is a "milestone date":

(1) Commencement of the environmental process.

(2) Commencement of the circulation of the draft environmental documents.

(3) Final approval of the environmental documents.

(4) Commencement of work on the plans, specifications, and estimates.

(5) Project ready to advertise.

(6) Project delivery.

(e) "Project delivery" is the date on which the project is advertised.

SEC. 3. Section 14529.01 is added to the Government Code, to read:

14529.01. (a) The commission shall make allocations from funds appropriated for that purpose for projects included in the 1988 State Transportation Improvement Program, as specified in Chapter 4 (commencing with Section 14550), and may make allocations for projects scheduled to be advertised prior to the adoption of the 1990 State Transportation Improvement Program and either included in the 1988 State Transportation Improvement Program or amended into the 1988 program, if both of the following conditions are met:

(1) The total allocation in any county does not exceed the total escalated costs for all projects in that county as shown in the 1988 State Transportation Improvement Program.

(2) The allocation for each project is not more than 120 percent of the escalated cost for that project as shown in the 1988 State Transportation Improvement Program.

(b) The restrictions in this section apply only to the state and federal funds to be allocated.

(c) For counties with not more than two projects in the 1988 State Transportation Improvement Program, the commission may allocate funds for cost increases if the increase allocation is applied to meet that county's county minimum for the 1988–1993 period and, if necessary, to the 1993–1998 period.

SEC. 4. Chapter 4 (commencing with Section 14550) is added to Part 5.3 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 4. TRANSPORTATION PROJECTS

Article 1. General Provisions

14550. State highway projects for which funds are allocated pursuant to this chapter may additionally be funded by federal funds appropriated to the department by the Legislature or by reimbursement, as determined by the commission.

Article 2. State Highway Projects

14555. The commission shall allocate funds in the amounts and for the projects specified in Sections 14555.1 to 14555.57, inclusive, which

projects are included in the 1988 State Transportation Improvement Program.

14555.1. In the County of Alameda:

Highway Route	Project Number	Amount (x $1,000)	Project Description
024	0055Y	60	Replace Planting
080	0066E	28,360	High Occupancy Lane
080	0069A	42,678	Additional Lanes
092	0091B	1,195	Soundwall
580	0121	276	Plant Revegetation
580	0134A	739	Replace Planting
580	0134C	23,407	Construct Interchange
580	0169A	356	Soundwall
580	0149	590	Irrigation Upgrade
580	0152	23,835	Ramp Revision
580	0152Y	437	Replace Planting
580	0053Y	631	Replace Planting
680	0158B	578	Soundwall
680	0159Y	127	Replace Planting
680	0165Y	127	Replace Planting
680	0169Y	229	Replace Planting
880	A0416Y	572	Replace Planting
880	0018H	3,130	Soundwalls
880	0029Y	1,357	Replace Planting
880	0030A	344	Strengthen Bridge
880	0031A	610	Rail Upgrade
880	0042D	939	Soundwall
880	0042H	1,139	Soundwall
880	0043	325	Irrigation Upgrade
880	0052	2,907	Strengthen Bridge

14555.2. In the County of Alpine:

Highway Route	Project Number	Amount (x $1,000)	Project Description
004	0102	1,790	Widen Highway

14555.3. In the County of Amador:

Highway Route	Project Number	Amount (x $1,000)	Project Description
049	0206	2,173	Construct Climb Lane
049	0207A	355	Replace Bridge
049	0210	1,106	Widen Bridge
088	0221A	9,043	Passing Lanes

14555.4. In the County of Butte:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5726	0001	585	Truck Shed
070	0005B	401	Strengthen Bridge
070	0007B	855	Construct Median Barrier
099	0015A	1,205	Bridge Repair/Overlay
099	0026M	1,132	Widen Highway
162	0028A	4,488	Bridge Construction

14555.5. In the County of Calaveras:

Highway Route	Project Number	Amount (x $1,000)	Project Description
004	0307A	350	Curve Correction
026	0319A	654	Replace Bridge

14555.6. In the County of Colusa:

Highway Route	Project Number	Amount (x $1,000)	Project Description
005	0031	709	New Soundwall

14555.7. In the County of Contra Costa:

Highway Route	Project Number	Amount (x $1,000)	Project Description
004	0184A	298	Edge Drains
024	0224	1,330	Access Tunnel
080	0237Y	122	Replace Planting
080	0236A	23,008	Add Lane
080	0236B	19,257	Add Lane
080	0236C	24,309	Interchange Improvement
580	0232Y	545	Highway Planting
580	0208C	757	Highway Planting
580	0209C	620	Highway Planting
680	0272Y	298	Replace Planting
680	0283Y	815	Replace Planting
680	0283	83,768	Reconstruct Interchange
680	0283C	31,484	Freeway Widening
680	0285Y	1,109	Replace Planting
680	0285E	28,518	Freeway Widening
680	0285F	50,724	Freeway Widening/Soundwall
680	0295Y	287	Replace Planting
680	0296Y	161	Replace Planting
680	0298B	7,943	Upgrade Freeway

14555.8. In the County of Del Norte:

Highway Route	Project Number	Amount (x $1,000)	Project Description
101	B055A	34	Upgrade Bridge
101	0002B	17,851	4-Lane Expressway
197	0010B	607	Curve Correction
199	0011	6,968	Bridge Replacement

14555.9. In the County of El Dorado:

Highway Route	Project Number	Amount (x $1,000)	Project Description
050	0059	2,885	Construct Interchange
050	0064M	1,723	Curve Improvement
050	0067G	3,846	Replace Bridges
089	0077A	665	Replace Bridges
089	0079A	2,432	Erosion Control
089	0083A	502	Erosion Control
193	0085B	2,315	Replace Bridge

14555.10. In the County of Fresno:

Highway Route	Project Number	Amount (x $1,000)	Project Description
099	0035	448	Bridge Rail Upgrade
168	0067	2,486	AC Overlay
180	0066	20,641	Right-of-Way Alignment
180	0066A	36,267	Right-of-Way Alignment
180	0095	890	AC Overlay
180	0096	739	AC Overlay
180	0098	1,391	Replace Bridge
180	0101	686	Realign Curves

14555.11. In the County of Glenn:

Highway Route	Project Number	Amount (x $1,000)	Project Description
005	0091A	2,134	Widen Bridge
032	0092D	2,523	Widen Highway
032	0092C	322	Substructure Rehabilitation

14555.12. In the County of Humboldt:

Highway Route	Project Number	Amount (x $1,000)	Project Description
036	0017A	1,338	Culvert Replacement
036	0025	3,406	Bridge Replacement
096	0040	1,390	Bridge Replacement
101	0054	9,375	Bridge Replacement
101	A0055A	529	Upgrade Bridge
101	0059	918	Resurfacing

101	0068	1,406	Resurfacing
101	0070A	869	Upgrade Bridge
101	0086C	1,044	Realign Bypass Slide

14555.13. In the County of Imperial:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5708	0011	298	Upgrade Structures
008	0002R	762	Upgrade Bridge Rails
008	0003E	4,500	Rehabilitate Pavement
008	0009	150	Revise Interchange
086	0026	1,661	Expressway
086	0027E	10,914	Expressway
086	0027H	6,142	Expressway
086	0027M	5,131	Expressway
086	0027W	8,965	Expressway

14555.14. In the County of Inyo:

Highway Route	Project Number	Amount (x $1,000)	Project Description
127	0001	425	Drainage Correction
178	0006A	406	Drainage Correction
395	B0152	768	Convert Expressway
395	0020A	4,481	Widen Freeway
395	0021B	11,653	Convert Expressway
395	0181	1,794	AC Overlay

14555.15. In the County of Kern:

Highway Route	Project Number	Amount (x $1,000)	Project Description
014	0217	1,238	AC Overlay
178	0218	1,272	AC Overlay
395	0220	394	AC Overlay
395	A0152	8,229	Convert Expressway
L5803	0008C	1,311	Maintenance Station
005	0109B	1,274	Truck Escape Ramp
005	0110C	563	Construct Scales
033	0115	480	Realign Intersection
033	0115A	1,099	AC Overlay
046	0136A	819	Channelize Road
099	0168A	14,604	Widen Overcrossing
099	0167	9,736	Widen Expressway
099	0172	742	Raise Bridge
099	0175A	181	Modify Ramps
155	0189A	1,031	Widen Deck
178	0202	733	Widen Bridge
178	0202C	356	AC Overlay
178	0202H	844	Widen/Realignment

178	0202L	3,112	Passing Lane
178	0202N	730	Passing Lane
178	0203C	931	AC Overlay
178	0211	344	Channelize Intersection
178	0211B	1,171	AC Overlay
204	0208B	10,652	Modify Interchange

14555.16. In the County of Kings:

Highway Route	Project Number	Amount (x $1,000)	Project Description
198	0258A	933	Replace Bridge
005	0222	1,945	Add to Ramps
041	0228	3,351	AC Overlay
043	0243A	2,284	AC Overlay

14555.17. In the County of Lake:

Highway Route	Project Number	Amount (x $1,000)	Project Description
020	B0167A	115	Upgrade Bridge
020	0112	4,630	Highway Rehabilitation
020	0119	918	Resurfacing
029	0121	2,359	Bridge Widening
053	0129A	13,366	Highway Widening
175	0132	2,460	Bridge Replacement/Highway Rehabilitation

14555.18. In the County of Lassen:

Highway Route	Project Number	Amount (x $1,000)	Project Description
395	0022B	1,328	Construct Passing Lanes
395	0021K	1,659	Curve Realignment/ Passing Lanes
395	0022C	957	Construct Passing Lanes
395	0022E	450	Construct Passing Lanes
395	0022F	900	Construct Passing Lanes
395	0022G	900	Construct Passing Lanes

14555.19. In the County of Los Angeles:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5506	0568P	1	Replace Parking
L5706	0544M	2,029	Maintenance Station
001	0034T	1,801	Overlay
001	0039B	4,643	Replace Bridge
002	0046	3,956	Scope to be Determined
005	0125R	1,575	Reconstruct Approach
005	0131M	540	Irrigation Upgrade
005	0139S	751	Soundwall

005	0085M	557	Convert to High Pressure Sodium Light
005	0151N	1,434	Upgrade Bridge/Overlay
005	0156	1,131	Upgrade Irrigation
005	0157E	2,539	Structure Rehabilitation
005	0157M	4,242	Restripe to 6 Lanes
005	0134M	692	Convert to High Pressure Sodium Light
005	0187R	287	Rehabilitate Pavement
005	00884	99	Replace Planting
005	0129	3,061	Strengthen Bridge
005	0978T	100	Right-of-Way
005	00945	1,302	Soundwall
010	0245X	3,912	Upgrade 26 Message Signs
010	0238B	2,434	Install Communication System
010	0245B	4,321	Automatic Traffic Surveillance
010	0271	307	Replace Sign/Install
010	0278A	2,487	Convert to High Pressure Sodium Light
010	0281	1,681	Irrigation Upgrade
010	0291A	3,974	Upgrade Median
010	0296	1,305	Soundwalls
010	0301	1,533	Soundwalls
010	0309S	3,304	Soundwalls
010	0317M	803	Soundwalls
010	0321M	1,206	Soundwalls
030	0408M	2,100	Convert to High Pressure Sodium Light
047	0437B	7,000	Grade Separation
048	0448S	1,217	Correct Curves
060	0473M	387	Soundwalls
060	0497F	722	Soundwalls
060	0500	730	Ramp Meters
060	0501F	861	Soundwalls
060	0501P	3,000	Truck Climbing Lane
060	0502P	523	Median Barrier
060	0503A	14,235	Construct Connections
060	0511Q	29,765	Reconstruct Interchange
091	0562M	456	Soundwalls
101	0567	1,875	Soundwalls
101	0574	2,465	Soundwalls
101	0588	414	Soundwalls
101	0603G	807	Upgrade Bridge
101	0599	852	Strengthen Bridge
101	0616C	3,651	Add Northbound Lane
101	0621M	807	Soundwalls
101	0628T	509	Soundwalls
101	0633P	26,089	Modify Interchange
105	0646	38,700	Replenish Housing

105	0643Y	91	Highway Planting
105	3641D	144	Transit Station
105	0641Y	1,331	Highway Planting
105	0645Y	694	Highway Planting
105	2642G	864	Transit Station
105	2642Y	85	Highway Planting
105	3642H	79	Transit Station
105	2645Y	602	Highway Planting
105	3642C	1,183	Park & Ride Lot
105	3642P	105	Transit Station
105	3642Y	51	Highway Planting
105	0642Y	651	Highway Planting
105	0646L	925	Transit Station
105	2646P	600	Park & Ride Lot
105	2648Y	37	Highway Planting
105	0644Y	843	Highway Planting
105	3643R	200	Transit Station
105	0646A	40,770	Realign Highway
105	2646Y	705	Highway Planting
105	0644T	1,899	Park & Ride Lot
105	0648Y	66	Highway Planting
105	3644U	102	Transit Station
105	3646Y	2,040	Highway Planting
105	3643I	852	Transit Station
105	2647K	5,855	Structure & Ramp
105	2647Y	161	Highway Planting
105	3647K	563	Transit Station
110	0324L	35,375	Widen Freeway
110	0324Y	953	Replace Planting
110	0329H	7,510	Park & Ride Lot
110	0329	497	Upgrade Irrigation
110	0333J	7,124	Park & Ride Lot
110	0340L	11,888	Widen Freeway
110	0340Y	1,072	Replace Planting
110	0345A	26,663	Widen Freeway
110	0345K	4,576	Transit Station
110	0349Y	42	Highway Planting
110	0344Y	921	Replace Planting
110	0346E	61,449	Widen Freeway
110	0355J	45,188	Widen Freeway
110	0355Y	1,144	Replace Planting
110	0355K	38,413	Widen Freeway
110	0359M	54,625	Widen Freeway
110	0364	2,036	Auxiliary Lane
110	0368M	702	Auxiliary Lane
118	0655P	12,000	Median Widen
134	0681M	810	Upgrade Irrigation
134	0688M	415	Soundwalls
138	0692H	1,195	Correct Curves

138	0695B	2,353	Passing Lanes
210	0750A	3,669	Stripe 5th Lane
210	0750B	3,669	Stripe 5th Lane
210	0763M	554	Rehabilitate Ramps
405	0803	1,675	Strengthen Bridge
405	0804	1,663	Upgrade Irrigation
405	0810M	743	Upgrade Irrigation
405	0825Y	44	Replace Planting
405	0828	677	Upgrade Irrigation
405	0831	14,333	Interchange
405	0844	556	Strengthen Bridge
605	1150B	1,572	Upgrade Median
605	0873B	1,800	Convert to High Pressure Sodium Light
605	0883C	5,636	Widen Freeway
605	0887	798	Upgrade Irrigation
710	0190M	1,827	Convert to High Pressure Sodium Light
710	0203	1,289	Strengthen Bridge
710	0214	872	Upgrade Irrigation

14555.20. In the County of Madera:

Highway Route	Project Number	Amount (x $1,000)	Project Description
041	0264	5,433	Overlay/Turn Lane
099	0272	406	Bridge Rail Upgrade
099	0275	264	Soundwall
099	0271C	1,232	Median Barrier
099	0144A	2,066	Widen Bridges
099	0277B	1,824	Replace Bridge
233	0290	1,223	AC Overlay

14555.21. In the County of Marin:

Highway Route	Project Number	Amount (x $1,000)	Project Description
001	0314	1,241	Replace Bridges
001	0323	1,917	Road Reconstruction
101	0337A	6,328	New Lane
101	0342G	5,500	Auxiliary Lane
580	0328	650	Strengthen Bridge
580	0328B	343	Median Barrier

14555.22. In the County of Mendocino:

Highway Route	Project Number	Amount (x $1,000)	Project Description
001	0155	1,702	Curve Correction/ Widening
101	A0167A	270	Upgrade Bridge
101	0167	10,761	Construct Expressway
162	0204	1,001	Culvert Replacement
162	0208	1,587	Bridge Replacement

14555.23. In the County of Merced:

Highway Route	Project Number	Amount (x $1,000)	Project Description
005	0502	5,006	Rehabilitate Pavement
099	0537	621	Irrigation System
099	0546B	26,028	Construct Freeway
099	0546C	3,883	Interchange
140	0556B	710	Replace Bridge
152	0565	3,663	Construct Interchange
152	0569	4,098	Construct Turn Lane

14555.24. In the County of Modoc:

Highway Route	Project Number	Amount (x $1,000)	Project Description
139	0042D	444	Construct/Southbound Lane Trucks
299	0051F	310	Bridge Replacement

14555.25. In the County of Mono:

Highway Route	Project Number	Amount (x $1,000)	Project Description
158	0136	926	Install Culverts
395	0169	8,522	Realign Northbound Lanes
395	0208	3,671	Passing Lanes
395	0206	2,864	Passing Lanes
395	0215	1,703	AC Overlay
395	0187	1,716	Passign Lanes
395	0209	2,327	Passing Lanes
395	0189	1,205	Passing Lanes

14555.26. In the County of Monterey:

Highway Route	Project Number	Amount (x $1,000)	Project Description
001	0027Y	1,951	Highway Planting
068	0305	485	Improve Intersection
068	0042	1,104	Replace Bridge
101	0055Y	125	Replace Planting
101	0057B	4,198	Begin Right-of-Way Acquisition
198	0251	674	Replace Bridge

14555.27. In the County of Napa:

Highway Route	Project Number	Amount (x $1,000)	Project Description
029	0377A	3,965	Construct Interchange

14555.28. In the County of Nevada:

Highway Route	Project Number	Amount (x $1,000)	Project Description
049	A0112A	598	Replace Bridge
080	B0177C	2,867	Structural Repair
080	0121D	461	Structural Rehabilitation
080	0124A	871	Construct Truck Lane
080	0124C	689	Construct Median Barrier
267	0140A	1,039	Right-of-Way

14555.29. In the County of Orange:

Highway Route	Project Number	Amount (x $1,000)	Project Description
005	0939E	429	Convert to High Pressure Sodium Light
005	0957Y	1,561	Replace Planting
005	0962Q	46,394	Reconstruct Interchange
005	0962R	92,732	Widen Freeway
005	0962Y	1,659	Replace Planting
005	0963Y	1,137	Replace Planting
005	0974F	434	Soundwalls
005	0975Y	83	Replace Planting
005	0977Y	195	Replace Planting
005	0978T	2,000	Widen Freeway
005	0979Y	319	Replace Planting
022	0988A	801	Upgrade Irrigation
022	0994A	889	Upgrade Irrigation
022	1003	465	Upgrade Irrigation
022	1003A	876	Soundwalls
055	1027Y	768	Highway Planting
055	1046F	2,104	Soundwalls

055	1047Y	23	Replace Planting
073	1081X	35,000	Construct Interchange
091	1096P	1,776	Soundwalls
091	1098F	1,474	Soundwalls
091	1098M	1,554	Soundwalls
091	1098T	1,161	Soundwalls
091	1106A	1,365	Soundwalls
091	1111A	613	Soundwalls
091	1111M	376	Soundwalls
405	1121Y	229	Replace Planting
405	1120Z	1,668	Convert to High Pressure Sodium Light
405	1130Y	41	Replace Planting
405	1136Y	626	Replace Planting
405	1140Y	60	Replace Planting
405	1146Y	40	Replace Planting
605	1150B	588	Median Barrier

14555.30. In the County of Placer:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5722	0148D	460	Replace Building
020	0108F	1,133	Curve Improvement
049	0144A	12,421	Replace Bridge
080	0146	1,022	Soundwalls
080	0145Y	208	Highway Planting
080	A0177C	548	Structural Repair
089	0178D	6,444	Structural Repair

14555.31. In the County of Plumas:

Highway Route	Project Number	Amount (x $1,000)	Project Description
070	0062D	2,528	Bridge Replacement
070	0062H	3,437	Bridge Replacement
070	0063	3,397	Bridge Replacement
070	0061H	1,060	Construct Passing Lanes
070	0063H	574	Construct Passing Lanes
070	0076K	1,721	Structural Repairs/Widening

14555.32. In the County of Riverside:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5716	0049	978	Maintenance Station
010	B0001C	881	Upgrade Guardrail
010	0007B	589	Traffic Signals
010	0009	276	Remove Nozzel Line
010	0013B	1,541	Median Barrier
015	1028	2,006	Construct Interchange

060	0043A	250	Soundwalls
079	0068	348	Replace Bridge
091	0076	32,800	Widen to 10 Lanes
091	0082A	3,651	Surveillance Station
091	0086	796	Soundwalls
091	0094E	3,894	Widen/Strengthen
215	0111	3,236	Construct Interchange
215	0113Y	39	Replace Planting
215	0120Y	40	Highway Planting
215	0123	310	Irrigation System
215	0126	675	Soundwalls
086	0075D	17,174	Expressway
086	0078K	18,851	Expressway

14555.33. In the County of Sacramento:

Highway Route	Project Number	Amount (x $1,000)	Project Description
005	0188D	608	Rehabilitate Deck
005	0198	750	Highway Planting
050	0204I	365	Ramp Meter
050	0208Y	60	Replace Planting
050	0216B	994	Soundwalls
050	0218B	881	Overcrossing
051	0230D	365	Ramp Meter
051	0232B	10,831	Connecting Ramp Meter
080	0270	657	Highway Planting
080	0236H	852	Ramp Meter
080	0267E	811	Strengthen Bridge
080	0236I	366	Construct Median Barrier
080	0236P	962	Construct Median Barrier
080	0237F	657	Soundwalls
080	0237E	1,252	Soundwalls
099	0243	6,897	Structural Repair
099	0248C	3,164	Construct Barrier/ Median/Soundwall
099	0252	1,704	Ramp Meter
160	0604A	3,306	Structural Repair

14555.34. In the County of San Benito:

Highway Route	Project Number	Amount (x $1,000)	Project Description
101	0341	900	Median Barrier
156	0267	1,040	Widen Freeway
156	0083	9,374	Construct Roadway

14555.35. In the County of San Bernardino:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5723	0180	597	Maintenance Station
010	1132	714	Soundwalls
010	0132E	529	Soundwalls
010	0134D	7,999	Widen Ramp
010	0137D	546	Strengthen Structure
010	0138A	859	Traffic Signals
010	0156Y	406	Highway Planting
010	A0001C	1,510	Upgrade Guardrail
010	0163Y	52	Replace Planting
015	0172F	3,017	Weighing Station
015	0172D	315	Median Barrier
015	1173	250	Soundwalls
018	0181	958	Curve Realignment
018	0184	601	Alignment
018	0186	4,273	Replace Bridge
018	0188	707	Structural Analysis
018	0190	2,214	Recycle and Cap
018	0192C	5,963	Realignment
030	0193B	9,006	Construct 6 Lane Freeway
030	0193C	11,500	Construct 6 Lane Freeway
030	1197Y	858	Highway Planting
058	0216A	2,295	Recycle
058	0217	29,219	Realign Highway
060	0221A	343	Median Barrier
062	0225	617	Overlay
062	0227A	343	Grade Crossing Protection
066	0230A	1,864	Reconstruct Underpass
066	0231B	730	Signal Interconnection
083	0236B	365	Upgrade Traffic Signal
083	0236C	365	Upgrade Traffic Signal
138	0237B	4,836	4 Lane Expressway
215	0247C	7,578	Widen Freeway
215	0247Y	279	Replace Planting
215	0252A	365	Irrigation System
215	0252D	788	Widen Shoulder

14555.36. In the County of San Diego:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5506	5702A	2,677	Traffic Operating Center
005	0097A	746	Interchange
005	0099	604	Irrigation Upgrading
005	0110K	438	Mn Ln Loop Detect
005	0110U	1,116	Revise Off Ramp
005	0111Y	129	Replace Planting

005	0123M	1,217	Ramp Metering
005	0123W	1,217	Ramp Metering
005	0128M	730	Ramp Metering
005	0130B	974	Replace Planting
005	0129V	46,856	Interchange Revision
005	0130V	639	Replace Planting
005	0135A	9,042	Truck Climbing Lane
005	0134	358	Park & Ride Lot
005	0135	43	Replace Planting
005	0141	693	Highway Planting
005	0144B	381	Reclaimed Water Use
005	0152R	1,671	Add Lane
008	0154	1,168	Mn Ln Loop Detect
008	0155F	3,065	Auxiliary Lane
008	0155Y	28	Replace Planting
008	0158Y	178	Replace Planting
008	0167Y	442	Replace Planting
008	0181K	361	Replace Planting
015	0202	11,160	Construct Lane
015	0202A	1,000	Construct Lane
015	0202B	23,346	Construct Lane
015	0202C	12,986	Drainage
015	0205H	1,509	Widen Bridge
015	0209M	2,069	Ramp Meter System
015	0221	761	Ramp Meter System
015	0223	1,339	Auxiliary Lane
015	0226M	535	Ramp Meter System
015	0229B	358	Park & Ride Lot
015	0232	653	Highway Planting
015	0233T	1,704	Median Barrier
015	0234P	1,339	Auxiliary Lane
015	0235	1,244	Park & Ride Lot
015	0240	1,229	Park & Ride Lot
052	0258C	5,367	4 Lane Freeway
067	0283P	102	Replace Planting
067	0287	905	Curve Realignment
076	0300Y	322	Highway Planting
078	0316	4,275	Widen Freeway
078	0316D	383	Pavement Rehabilitation
078	0323T	4,787	Widen Freeway
078	0334P	2,396	Curve Realignment
078	0340M	943	Curve Realignment
094	0350	870	Construct Auxiliary Lane
094	0350M	4,518	Construct Auxiliary Lane
094	0363K	1,771	Construct Shoulders
125	0385Y	500	Replace Planting
163	0389	911	Median Barrier
163	0389S	471	Add Auxiliary Lane
163	0389Y	47	Replace Planting

805	0415Y	56	Replace Planting
805	0419R	1,339	Mn Ln Loop Detect
805	0420B	505	Highway Planting
805	0422B	1,081	Highway Planting
805	0423Y	193	Replace Planting
805	0426S	997	Extend Auxiliary Lane
805	0426Y	61	Replace Planting
805	0432Y	90	Replace Planting

14555.37. In the City and County of San Francisco:

Highway Route	Project Number	Amount (x $1,000)	Project Description
080	0236R	1,339	Regional Hub
101	0588A	304	Soundwall
101	0587	593	Soundwall
101	0500	626	Soundwall
101	0598	1,353	Strengthen Bridge
280	0610A	10,674	Construct Interchange
280	0611A	3,227	Remove Ramps for New
280	0612A	9,490	Various Improvements
480	0616A	478	Deck Joint Seals

14555.38. In the County of San Joaquin:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5505	0721B	1,492	Equipment Shop
004	0708A	891	Curve Correction
004	0719C	15,687	Construct Freeway
099	0778C	4,031	Structural Repair
120	0799D	893	Widen Freeway

14555.39. In the County of San Luis Obispo:

Highway Route	Project Number	Amount (x $1,000)	Project Description
041	0300	2,534	New Alignment
041	0170G	9,699	Replace Bridge
041	0246	438	Retaining Wall
046	0122A	657	Realignment Fill
046	0110Y	13	Planting
046	0340	3,651	Passing Lanes
058	0328	1,490	Replace Bridge
101	0220	365	Upgrade Bridge Rails
101	0304	1,149	Reconstruct Interchange
101	0245	1,739	Reconstruct Interchange

14555.40. In the County of San Mateo:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5710	0624	952	Reconstruct Maintenance Station
001	0622	1,245	Roadway Reconstruction
001	0623A	3,735	Roadway Reconstruction
001	0632A	3,631	Widen/Median/Overlay
035	0388	413	Rehabilitate Culverts
084	0655A	319	Replace Bridge
092	0669	7,171	Sl Lane/Safety Improvement
092	0669A	3,627	Sl Lane/Safety Improvement
092	0669B	4,829	Sl Lane/Safety Improvement
092	0675	441	Irrigation Upgrade
101	0690	399	Soundwalls
101	0691	1,337	Soundwalls
101	0696C	689	Soundwalls
101	0697A	764	Soundwalls
101	0697E	375	Soundwalls
101	0705A	304	Soundwalls
101	0705	430	Soundwalls
101	0701	2,147	Roadway Reconstruction
101	0453	332	Weighing Station
101	0712	2,783	Strengthen Bridge
280	0732A	3,164	New Lane
380	0743B	608	Upgrade Lane Width

14555.41. In the County of Santa Barbara:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5705	0124	514	Maintenance Station
101	0223	5,000	Widen Lanes
101	0217	550	Replace Bridge
101	0040	34,499	Widen Freeway
101	0083Y	524	Replace Planting
101	0307	304	Widen Off Ramp
154	0284	1,272	Rehabilitate Pavement
154	0311	4,968	Construct Passing Lane
192	0219	311	Replace Bridge
225	0248	1,234	Replace Bridge

14555.42. In the County of Santa Clara:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5736	0462C	1,193	Maintenance Station
009	0386A	993	Replace Bridge
017	0395A	5,374	Frontage Road Construction
017	0397B	261	Bridge Rail Upgrade
017	0393	2,460	Bypass Lane Construction
017	0400C	395	Soundwalls
017	0400E	504	Soundwall
017	0398Y	254	Replace Planting
017	0402A	375	Soundwall
017	0402B	293	Soundwall
017	0400B	727	Soundwalls
082	0421D	3,456	Bypass Widen
101	0451B	2,343	Weighing Station
101	0463Y	382	Replace Planting
101	0478C	2,446	Soundwalls
101	0478B	1,018	Modify Interchange
101	0482Y	234	Replace Planting
152	0483F	554	Curve Correction
152	0484	10,240	4 Lane Freeway
152	0484F	3,960	Roadway Rehabilitation
237	0490A	27,886	Upgrade Freeway
237	0495G	11,000	Reconstruct Interchange
280	0502	846	Strengthen Bridge
280	0505Y	994	Replace Planting
680	0520B	530	Soundwall
880	0396Y	44	Replace Planting
880	0409Y	276	Replace Planting
880	B0416Y	321	Replace Planting

14555.43. In the County of Santa Cruz:

Highway Route	Project Number	Amount (x $1,000)	Project Description
001	0538A	2,457	Modify Interchange
001	0541	861	Roadway Reconstruction
001	0543D	2,766	Widen Freeway
001	0545C	2,696	Widen Freeway
009	0547E	3,426	Construct New Lane

14555.44. In the County of Shasta:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5505	0082	2,324	Rlcat Area Shop
L5705	0082D	366	Replace Truck Shed
L5725	0083	503	Truck Shed
005	0085D	2,639	AC Overlay
005	0104D	1,688	Crack, Seat, & Overly
005	0103D	523	Construct Median Barrier
005	0117F	358	Revegetation
044	0136A	4,250	Replace Intersection
089	0157C	4,037	Replace Bridge
151	0162A	579	Intersection Signals
299	A0165K	1,135	Upgrade Highway
299	0167	3,103	Bridge Alignment
299	0177C	1,089	Widen Freeway
299	0177D	1,168	Replace Bridge
299	0182	299	Rehabilitate Deck/Widen

14555.45. In the County of Sierra:

Highway Route	Project Number	Amount (x $1,000)	Project Description
089	0299B	608	Curve Improvements

14555.46. In the County of Siskiyou:

Highway Route	Project Number	Amount (x $1,000)	Project Description
003	0194	883	Replace Decks
005	0209D	2,754	AC Overlay
005	0211A	1,675	Construct Weighing Station
005	0213	799	Rehabilitate Bridge Decks
005	0225B	1,423	Deck Rehabilitation
096	0230A	1,771	Slide Correction

14555.47. In the County of Solano:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5719	0818	659	Maintenance Station
012	0808	6,488	Construct Expressway
037	0831B	17,154	Construct Freeway
080	0836	588	Irrigation Upgrade
080	0854	456	Soundwall
080	0863A	3,918	Inspection Facility
080	0873Y	262	Replace Planting
080	0876A	907	Structural Repair
080	0883	5,750	Convert Freeway
680	0801Z	1,148	Median Barrier

14555.48. In the County of Sonoma:

Highway Route	Project Number	Amount (x $1,000)	Project Description
L5705	0751	392	Storage Building
L5732	0791	896	Maintenance Station
012	0757Y	247	Highway Planting
012	0762D	6,105	AC Overlay
101	0767A	1,193	Drainage Improvement
101	0773	8,325	Roadway Reconstruction
101	0787A	702	Soundwall
101	0792B	799	Median Barrier
101	0797B	1,249	Roadway Reconstruction
101	0803	38,379	Construct Interchange

14555.49. In the County of Stanislaus:

Highway Route	Project Number	Amount (x $1,000)	Project Description
099	0921B	17,185	Construct Freeway
099	0921Y	130	Highway Planting
099	0923A	930	Soundwall
099	0926A	377	Soundwall
132	0945	292	Rehabilitate Pavement

14555.50. In the County of Sutter:

Highway Route	Project Number	Amount (x $1,000)	Project Description
099	0291Y	178	Highway Planting
099	0292C	1,664	Base Repair/Overlay

14555.51. In the County of Tehama:

Highway Route	Project Number	Amount (x $1,000)	Project Description
005	0264	8,598	Widen Bridges
036	B0165K	494	Upgrade Guardrail
036	0278D	1,386	Realign Curves
099	0284	446	Upgrade/Replace Rails

14555.52. In the County of Trinity:

Highway Route	Project Number	Amount (x $1,000)	Project Description
036	0228D	4,162	Bridge N. Alignment
299	0233	984	Construct Passing Lanes
299	C0165K	442	Upgrade Guardrail
299	0303	2,948	Realign Bridge

14555.52. In the County of Tulare:

Highway Route	Project Number	Amount (x $1,000)	Project Description
065	0296A	581	AC Overlay
065	0300	9,980	Widen Expressway
065	0302	659	Relocate Intersection
099	0306	548	Soundwall
099	0307	389	Soundwall
099	0315	1,144	Overcrossing
099	0319A	424	Widen Bridges
190	0240A	304	Retaining Walls
198	0329C	1,043	AC Overlay
198	0330A	28,600	Right-of-Way Acquisition
198	0333A	530	AC Overlay
198	0333B	615	AC Overlay

14555.53. In the County of Tuolumne:

Highway Route	Project Number	Amount (x $1,000)	Project Description
108	0016	526	Reconstruct/Signalize

14555.55. In the County of Ventura:

Highway Route	Project Number	Amount (x $1,000)	Project Description
023	1177A	6,043	Replace Bridge
033	1184T	1,714	Replace Bridge
033	1185M	1,838	Replace Bridge
101	1213	656	Highway Planting
101	1222	698	Upgrade Irrigation
118	1230A	21,082	Reconstruct Bridges
126	1258A	12,261	Widen to 4 Lanes
126	1258Q	12,040	Widen to 4 Lanes

14555.56. In the County of Yolo:

Highway Route	Project Number	Amount (x $1,000)	Project Description
080	0318C	608	Interchange Expansion
113	0343Y	116	Highway Planting
113	0334A	1,879	Replace Bridge
128	0350A	567	Curve Improvement

14555.57. In the County of Yuba:

Highway Route	Project Number	Amount (x $1,000)	Project Description
020	0361D	10,186	Replace Bridge
049	B0112A	598	Replace Bridge

SEC. 5. Section 65080 of the Government Code is amended to read:

65080. (a) Except as provided in subdivisions (c) and (d), each transportation planning agency designated under subdivision (a) or (b) of Section 29532 shall prepare a regional transportation plan and a regional transportation improvement program directed at the achievement of a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short- and long-term future, and shall present clear, concise policy guidance to local and state officials. The program shall support and be consistent with the plan. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) Each transportation planning agency shall adopt a regional transportation plan and, if it prepares a regional transportation improvement program, shall adopt a program. Prior to adoption, a public hearing shall be held, after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061. Prior to the adoption of the program, the governing body or the designated policy committee of the transportation planning agency shall consider the relationship between the program and the adopted plan. Each transportation planning agency shall adopt and submit, not later than April 1, 1990, and December 1 of each odd-numbered year thereafter, an updated regional transportation improvement program as specified in Section 65082, and biennially, not later than August 1, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation.

(c) A transportation planning agency designated under subdivision (b) of Section 29532 may have the regional transportation plan for the area under its jurisdiction prepared by the Department of Transportation by adopting a resolution to that effect prior to July 1, 1978. In that case, Section 65080.5 applies to the agency.

(d) The regional transportation improvement program shall be prepared and adopted only by the transportation planning agencies and by county transportation commissions representing urbanized areas of 50,000 or more in population. The department shall prepare the programs, on a state transportation district basis, for all other areas of the state.

SEC. 6. Section 65081 of the Government Code is repealed.

SEC. 6.5. Section 65081 is added to the Government Code, to read:

65081. The regional transportation plan shall include:

(a) A policy element that considers important transportation issues and describes the desired short- and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall consider probable funding constraints.

(b) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element shall also include a program for developing intracity and intercity bicycle programs.

The action element shall include all congestion management programs adopted by the commission pursuant to Chapter 2.6 (commencing with Section 65088).

(c) A financial element that summarizes the cost of plan implementation, compares these costs to a realistic projection of available revenues, and includes estimates of expected surplus and deficits. It shall contain recommendations for the allocation of funds and for the development of new sources of revenues if needed.

SEC. 7. Section 65082 of the Government Code is repealed.

SEC. 8. Section 65082 is added to the Government Code, to read:

65082. (a) A seven-year regional transportation improvement program shall be prepared, adopted, and submitted to the California Transportation Commission on or before April 1, 1990, and December 1 of each odd-numbered year thereafter, updated every two years, pursuant to Sections 65080 and 65080.5 and the guidelines adopted pursuant to Section 14530.1, to include projects and programs proposed to be funded, in whole or in part, by funds which are any of the following:

(1) For flexible congestion relief projects, as defined in Section 164.2 of the Streets and Highways Code.

(2) For urban rail transit and commuter rail projects.

Major projects shall include an escalated current cost updated to at least November 1 of the year of submittal, and be listed by relative priority, taking into account need, delivery milestone dates, as defined in Section 14525.5, and the availability of funding.

(b) For purposes of the regional transportation improvement program submitted to the commission on December 1, 1991, and every two years thereafter, congestion management programs adopted pursuant to Section 65089 shall be incorporated into the regional transportation improvement program. Local projects not included in a congestion management program shall not be included in the regional transportation improvement program. Projects and programs adopted pursuant to subdivision (a) shall be consistent with the seven-year capital improvement program adopted pursuant to paragraph (5) of subdivision (b) of Section 65089, and the guidelines adopted pursuant to Section 14530.1.

(c) Other projects may be included in the regional transportation

improvement program if listed separately.

(d) Unless a county not containing urbanized areas of over 50,000 population notifies the Department of Transportation by July 1 that it intends to prepare a regional transportation improvement program for that county, the department shall, in consultation with the affected local agencies, prepare the program for all counties for which it prepares a regional transportation plan.

(e) The regional transportation improvement program may not change the project delivery milestone date of any state project as shown in the prior adopted state transportation program without the consent of the department or other agency responsible for the project delivery.

SEC. 9. Chapter 2.6 (commencing with Section 65088) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.6. CONGESTION MANAGEMENT

65088. The Legislature finds and declares all of the following:

(a) Although California's economy is critically dependent upon transportation, its current transportation system relies primarily upon a street and highway system designed to accommodate far fewer vehicles than are currently using the system.

(b) California's transportation system is characterized by fragmented planning, both among jurisdictions involved and among the means of available transport.

(c) The lack of an integrated system and the increase in the number of vehicles are causing traffic congestion that each day results in 400,000 hours lost in traffic, 200 tons of pollutants released into the air we breathe, and three million one hundred thousand dollars ($3,100,000) added costs to the motoring public.

(d) To keep California moving, all methods and means of transport between major destinations must be coordinated to connect our vital economic and population centers.

(e) In order to develop the California economy to its full potential, it is intended that federal, state, and local agencies join with transit districts, business, private and environmental interests to develop and implement comprehensive strategies needed to develop appropriate responses to transportation needs.

65088.1. As used in this chapter the following terms have the following meanings:

(a) Unless the context requires otherwise, "regional agency" means the agency responsible for preparation of the regional transportation improvement program.

(b) Unless the context requires otherwise, "agency" means the agency responsible for the preparation and adoption of the congestion management program.

(c) "City" includes a city and county.

(d) "Commission" means the California Transportation Commission.

(e) "Department" means the Department of Transportation.

(f) "Urbanized area" has the same meaning as is defined in the 1990 federal census for urbanized areas of more than 50,000 population.

65089. (a) A congestion management program shall be developed, adopted, and annually updated for every county that includes an urbanized area, and shall include every city and the county. The program shall be developed, in consultation with regional transportation providers and in consultation with and with the cooperation of the transportation planning agency, local governments, the department, and the air pollution control district or the air quality management district, either by the county transportation commission, or by another public agency, as designated by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county.

(b) The program shall contain all of the following elements:

(1) Traffic level of service standards established for specific intensities of land uses including rural, semirural, suburban, urban, and central business district. Level of service (LOS) shall be measured by Circular 212, or the method described in the most commonly used version of the Highway Capacity Manual. In no case shall the standards established be below the level of service E or the current level, whichever is lower.

(2) Standards established for the frequency and routing of public transit, and for the coordination of transit service provided by separate operators.

(3) A trip reduction and travel demand element that promotes alternative transportation methods, such as carpools, vanpools, transit, bicycles, and park-and-ride lots; improvements in the balance between jobs and housing; and other strategies, including flexible work hours and parking management programs.

(4) A program to analyze the impacts of land use decisions made by local jurisdictions on regional transportation systems, including an estimate of the costs associated with mitigating those impacts.

(5) A seven-year capital improvement program to maintain or improve the traffic level of service and transit performance standards developed pursuant to paragraphs (1) and (2), and to mitigate regional transportation impacts identified pursuant to paragraph (4), which conforms to transportation-related vehicle emissions air quality mitigation measures.

(c) The regional agency shall develop a uniform transportation and traffic computer model and data base which shall be used throughout the region to determine the quantitative impacts of traffic generated by new development on regional transportation systems. Where the regional agency has jurisdiction over two or more counties, the computer model and data base shall be approved by the majority of the agencies within the region.

65089.2. (a) Congestion management programs shall be

submitted to the regional agency. The regional agency shall evaluate the consistency between the program and the regional transportation plans required pursuant to Section 65080. In the case of multicounty regional transportation planning agency, that agency shall evaluate the consistency and compatibility of the programs within the region.

(b) The regional agency, upon finding that the program is consistent, shall incorporate the program into the regional transportation improvement program as provided for in Section 65082. If the regional agency finds the program is inconsistent, it may exclude any project in the congestion management program from inclusion in the regional transportation improvement program.

65089.3. The agency shall monitor the implementation of all elements of the congestion management program. Annually, the agency shall determine if the county and cities are conforming to the congestion management program, including, but not limited to, all of the following:

(a) Consistency with levels of service and performance standards.

(b) Adoption and implementation of a trip reduction and travel demand ordinance.

(c) Adoption and implementation of a program to analyze the impacts of land use decisions, including the estimate of the costs associated with mitigating these impacts.

65089.4. (a) If the agency determines that a city or county is not conforming to elements of the congestion management program, a finding to that effect shall be made by the governing body of the agency and submitted to the commission and to the Controller.

(b) If the agency finds that the city or county is not in conformance, the city or county, as the case may be, may appeal the finding to the California Transportation Commission. However, if the city or county is under the jurisdiction of a multicounty regional agency, the appeal may be made only to that agency.

The commission or the multicounty regional agency shall render its decision on the appeal within 90 days after receiving the appeal.

(c) Upon receiving notice from the commission or the multicounty regional agency affirming the finding by the agency of nonconformance, the Controller shall withhold apportionments of funds required to be apportioned to that nonconforming city or county by Section 2105 of the Streets and Highways Code, until the Controller is notified by the agency that the city or county is in conformance.

SEC. 10. Section 8651 of the Revenue and Taxation Code is repealed.

SEC. 11. Section 8651 is added to the Revenue and Taxation Code, to read:

8651. (a) An excise tax is hereby imposed for the use of fuel at the following rate per gallon:

(1) Fourteen cents ($0.14) during 1990, on and after August 1.

(2) Fifteen cents ($0.15) during 1991.

(3) Sixteen cents ($0.16) during 1992.
(4) Seventeen cents ($0.17) during 1993.
(5) Eighteen cents ($0.18) during 1994.

(b) If the federal fuel tax is reduced below the rate of fifteen cents ($0.15) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by this section, on and after the date of the reduction, shall be increased by an amount so that the combined state and federal tax rate per gallon equals the following:

(1) Twenty-nine cents ($0.29) during 1990, on and after August 1.
(2) Thirty cents ($0.30) during 1991.
(3) Thirty-one cents ($0.31) during 1992.
(4) Thirty-two cents ($0.32) during 1993.
(5) Thirty-four cents ($0.34) on and after January 1, 1994.

(c) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be exempt under this section.

SEC. 12. Section 164.1 is added to the Streets and Highways Code, to read:

164.1. (a) The department, in cooperation with local transportation officials, shall develop guidelines to implement the Traffic Systems Management Program in the major urbanized areas of the state. Traffic systems management projects are those projects designed to increase the number of person-trips which can be carried on the highway system in a peak period without significantly increasing the designed capacity of the highway system when measured by the number of vehicle-trips and without increasing the number of through traffic lanes.

(b) The guidelines shall describe the types of capital projects to be eligible for funding under the program, which shall be based upon the development of effective traffic management systems through the use of traffic operations control systems, including, but not limited to, restriping. ramp meters, meter bypass lanes, computerized signals, changeable message signs, television surveillance, and integrated single-system state and local traffic operations centers. The guidelines shall also specify the criteria to be used in setting priorities for funding the projects. The criteria may include, but are not limited to, achieving the most traffic congestion relief for each state dollar spent, the rapidity with which the project will relieve traffic congestion, and the usefulness of demonstration projects to implement research and development in the field of traffic operations control systems.

(c) The department shall submit the guidelines to the commission by September 1, 1989. The commission shall approve the guidelines by November 1, 1989.

(d) By March 1, 1990, and each December 1 thereafter, pursuant to the guidelines, the department shall submit to the commission a traffic systems management plan which includes a consolidation

priority list of projects submitted from local congestion management plans.

(e) The commission may allocate funds to any project on the priority list if the commission determines that there are sufficient funds available during the same fiscal year to fund all of he higher priority projects which the commission expects to be ready for encumbrance during that fiscal year.

(f) The commission shall give first priority to funding projects in counties and cities that have an approved congestion management program and are fully cooperating with the implementation of traffic systems management projects.

SEC. 13. Section 164.4 is added to the Streets and Highways Code, to read:

164.4. (a) The department, in consultation with local transportation officials, shall develop financial guidelines relating to allocations to local agencies for projects in the Flexible Congestion Relief Program and the Traffic Systems Management Program which further legislative goals. The guidelines shall ensure all of the following:

(1) The costs of administering the programs are minimized through simplification of processes.

(2) State funds are not used to pay local costs associated with administering the programs.

(3) Local funds are not used to pay state administrative costs.

(4) Appropriate controls are in place to ensure accountability for fund and project management.

(b) The guidelines shall be submitted to the commission by March 1, 1991. The commission shall adopt the guidelines by July 1, 1991.

SEC. 14. Section 164.50 is added to the Streets and Highways Code, to read:

164.50. (a) The department, in cooperation with local transportation officials, shall develop guidelines to implement the commuter and urban rail transit program. The guidelines shall define the criteria to identify and prioritize projects which can be implemented not later than June 30, 2001, and will provide an efficient system of commuter and urban rail transit services in the state.

(b) The department shall submit the guidelines to the commission by July 1, 1990. The commission shall adopt the guidelines by September 1, 1990.

(c) Allocations for commuter rail and urban rail transit projects shall not exceed 50 percent of the nonfederal share of project cost.

(d) "Commuter passenger rail" has the same meaning as the term "commuter service" as defined in the Rail Passenger Service Act (45 U.S.C. Sec. 502 (9)), and as described in Penn Central Transp. Co. Discontinuance, 338 ICC 318.

(e) "Urban rail transit" means passenger rail, including exclusive public mass transportation guideways, which is not defined as either intercity rail or commuter rail.

(f) Commuter and urban rail projects eligible for funding are those specified in Sections 164.51 and 164.52.

SEC. 15. Section 164.51 is added to the Streets and Highways Code, to read:

164.51. The commuter rail projects eligible for funding pursuant to subdivision (f) of Section 164.50 include those projects in the following rail corridors:

(a) San Francisco-San Jose.
(b) San Jose-Gilroy.
(c) Gilroy-Monterey.
(d) Stockton-Livermore.
(e) Orange County-Los Angeles.
(f) Riverside-Orange County.
(g) San Bernardino-Los Angeles.
(h) Ventura County-Los Angeles.
(i) Saugus-Los Angeles.
(j) Oceanside-San Diego.
(k) Escondido-Oceanside.

SEC. 16. Section 164.52 is added to the Streets and Highways Code, to read:

164.52. The urban rail transit projects eligible for funding pursuant to subdivison (f) of Section 164.15 include all of the following:

(a) Sacramento:
(1) Roseville extension.
(2) Hazel extension.
(3) Meadowview extension.
(4) Arena extension.
(b) San Franscisco Bay Area Rapid Transit District:
(1) Bayfair-East Livermore.
(2) Concord-East Antioch.
(3) Fremont-Warm Springs.
(4) Daly City-San Francisco International Airport.
(5) Coliseum-Oakland International Airport.
(6) Richmond-Crockett.
(7) Warm Springs-San Jose.
(c) Alameda and Contra Costa Counties:
(1) Pleasanton-Concord.
(d) Santa Clara County:
(1) Sunnyvale-Santa Clara.
(2) San Jose-Vasona.
(3) Route 237.
(e) San Francisco City and County:
(1) Extensions, improvements, and additions to the San Francisco Municipal Railway.
(f) Santa Cruz County:
(1) Boardwalk area-University of California at Santa Cruz.
(g) Los Angeles-Metro Rail:
(1) Wilshire/Alvarado-Wilshire/Western.

(2) Wilshire/Alvarado-Lankershim/Chandler.
(3) Union Station-Routes 5 and 710.
(4) Wilshire/Western/Wilshire Highway Route 405.
(h) Los Angeles County Rail corridors:
(1) Lankershim/Chandler-Warner Center.
(2) Pasadena-Los Angeles.
(3) Coastal Corridor (Torrance to Santa Monica)
(4) Santa Monica-Los Angeles.
(5) Route 5.
(6) Route 110.
(i) San Diego County:
(1) El Cajon-Santee.
(2) Downtown-Old Town.
(3) Airport-Point Loma.
(4) Old Town-Mission Valley.
(5) Mission Valley-La Mesa.
(6) La Jolla-Miramar.
(7) Old Town-Del Mar.
(8) Downtown-Escondido.
(9) Chula Vista-Ojay Mesa.

SEC. 17. Section 164.55 is added to the Streets and Highways Code, to read:

164.55. (a) The department, in cooperation with local transportation officials, shall develop guidelines to implement the intercity rail program. The guidelines shall define the criteria to identify and prioritize projects which can be implemented not later than June 30, 2001, and will provide an efficient system of intercity rail services in the state.

(b) Allocations for intercity rail projects are not required by this section to be matched by local entities.

(c) The commission shall give high priority and an appropriate level of funding to the development and enhancement of an efficient and effective intercity passenger rail system in the state.

(d) "Intercity rail" has the same meaning as the term "intercity rail passenger service" as defined in the Rail Passenger Service Act (45 U.S.C. Sec. 502(11)).

(e) Intercity rail projects eligible for funding include the following corridors:

(1) Los Angeles-San Diego.
(2) Santa Barbara-Los Angeles.
(3) Los Angeles-Fresno-San Francisco Bay area and Sacramento.
(4) San Francisco Bay area-Sacramento-Auburn.
(5) San Francisco-Santa Rosa-Eureka.

(f) The department shall submit the guidelines to the commission not later than July 1, 1990, and the commission shall adopt the guidelines not later than September 1, 1990.

SEC. 18. Section 164.56 is added to the Streets and Highways Code, to read:

164.56. (a) Commencing July 1, 1991, it is the intent of the

Legislature to allocate ten million dollars ($10,000,000) annually for 10 years to the Environmental Enhancement and Mitigation Demonstration Program Fund, which is hereby created.

(b) Local, state, and federal agencies and nonprofit entities may apply for and receive grants, not to exceed five million dollars ($5,000,000) for any single grant, to undertake environmental enhancement and mitigation projects which are directly or indirectly related to the environmental impact of modifying existing transportation facilities or for the design, construction, or expansion of new transportation facilities.

(c) Projects eligible for funding may include, but are not limited to, the following:

(1) Highway landscaping and urban forestry projects designed to offset vehicular emissions of carbon dioxide.

(2) Acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for proposed transportation improvements.

(3) The provision of roadside recreational opportunities, including roadside rests, trails, trailheads, and parks.

(4) Projects to mitigate the impact of proposed transportation facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the scope of the lead agency responsible for assessing the environmental impact of the proposed transportation improvement.

(d) Grant proposals shall be submitted to the Resources Agency for evaluation in accordance with procedures and criteria prescribed by the Resources Agency. The Resources Agency shall evaluate proposals submitted to it and prepare a list of proposals recommended for funding. The list may be revised at any time during the 10-year demonstration period. Prior to including a proposal on the list, the Resources Agency shall make a finding that the proposal is eligible for funding pursuant to subdivison (f).

(e) Within the fiscal limitations of subdivisions (a) and (b), the commission shall annually award grants to fund proposals which are included on the list prepared by the Resources Agency pursuant to subdivision (d).

(f) Projects funded pursuant to this section shall be projects which contribute to mitigation of the environmental effects of transportation facilities, as provided for by Section 1 of Article XIX of the California Constitution.

SEC. 19. Section 188 of the Streets and Highways Code is amended to read:

188. Subject to the provisions in this article and in Section 825, all money allocated by the commission from the State Highway Account, and the net revenues from the Passenger Rail Transportation Bond Fund for streets, highways, guideways, and rail, but not including allocations or expenditures for projects for maintenance, traffic system management, intercity rail, and the state-local transportation partnership program, which are expended

for construction, including the acquisition of rights-of-way, reconstruction, and construction engineering, shall be allocated and expended as follows: during the period commencing on July 1, 1989, and ending on June 30, 1993, and the period commencing on July 1, 1993, and ending on June 30, 1998, and for each five-year period thereafter, 40 percent in County Group No. 1 and 60 percent in County Group No. 2. Not more than one-half of 1 percent of the money allocated to the state highways in a particular group may be used as state aid to joint highway districts within such group in accordance with the laws pertaining to the financing of highways within joint highway districts.

This section shall be known and may be cited as the Barnes-Mills-Walsh formula.

SEC. 20. Section 2108.1 is added to the Streets and Highways Code, to read:

2108.1. By July 1, 1990, the City, County, State Cooperation Committee in the deparment shall develop and adopt a pavement management program to be utilized on local streets or highways that receive funding under the state transportation improvement program.

The pavement management program shall be transmitted to every county and city for possible adoption or incorporation into an existing pavement management program.

The City, County, State Cooperation Committee shall solicit recommendations from transportation planning agencies and any other entity the committee deems appropriate.

SEC. 21. Section 9400 of the Vehicle Code is repealed.

SEC. 22. Section 9400 is added to the Vehicle Code, to read:

9400. In addition to any other registration fee, there shall be paid the fees set forth in this section for the registration of commercial vehicles. Whenever a camper is temporarily attached to a motor vehicle designed to transport property, the motor vehicle shall be subject to the fees imposed by this section. The camper shall be deemed to be a load, and fees imposed by this section upon the motor vehicle shall be based upon the unladen weight of the motor vehicle, exclusive of the camper.

(a) For any electric vehicle designed, used, or maintained as described in this section, fees shall be paid for registration according to the following schedule:

Unladen Weight	Fee
Less than 6,000 lbs.	$ 87
6,000 lbs. or more but less than 10,000 lbs.	242
10,000 lbs. or more	325

(b) For any motor vehicle having not more than two axles and designed, used, or maintained as described in this section, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

Unladen Weight	Fee
Less than 3,000 lbs.	$ 8
3,000 lbs. to and including 4,000 lbs.	24
4,001 lbs. to and including 5,000 lbs.	73
5,001 lbs. to and including 6,000 lbs.	140
6,001 lbs. to and including 7,000 lbs.	186
7,001 lbs. to and including 8,000 lbs.	234
8,001 lbs. to and including 9,000 lbs.	280
9,001 lbs. to and including 10,000 lbs.	327
10,001 lbs. to and including 11,000 lbs.	372
11,001 lbs. to and including 12,000 lbs.	420
12,001 lbs. to and including 13,000 lbs.	467
13,001 lbs. to and including 14,000 lbs.	512
14,001 lbs. and over	560

(c) For any motor vehicle having three or more axles, or for any trailer, semitrailer, pole or pipe dolly, logging dolly, or other dolly designed, used, or maintained as described in this section, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

Unladen Weight	Fee
2,000 lbs. to and including 3,000 lbs.	$ 39
3,001 lbs. to and including 4,000 lbs.	70
4,001 lbs. to and including 5,000 lbs.	140
5,001 lbs. to and including 6,000 lbs.	210
6,001 lbs. to and including 7,000 lbs.	280
7,001 lbs. to and including 8,000 lbs.	350
8,001 lbs. to and including 9,000 lbs.	420
9,001 lbs. to and including 10,000 lbs.	490
10,001 lbs. to and including 11,000 lbs.	560
11,001 lbs. to and including 12,000 lbs.	630
12,001 lbs. to and including 13,000 lbs.	700
13,001 lbs. to and including 14,000 lbs.	770
14,001 lbs. to and including 15,000 lbs.	840
15,001 lbs. and over	924

(d) This section shall not be applicable to any vehicle which is operated or moved over the highway exclusively for the purpose of historical exhibition or other similar noncommercial purpose.

(e) The fee changes effected by this section apply to (1) initial or original registration on or after August 1, 1990, of any commercial vehicle never before registered in this state and (2) to renewal of registration of any commercial vehicle whose registration expires on or after August 1, 1990.

(f) This section shall become operative on June 6, 1990, and shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute which is enacted before

January 1, 1995, extends or repeals that date.

SEC. 23. Section 9400 is added to the Vehicle Code, to read:

9400. In addition to any other registration fee, there shall be paid the fees set forth in this section for the registration of commercial vehicles. Whenever a camper is temporarily attached to a motor vehicle designed to transport property, the motor vehicle shall be subject to the fees imposed by this section. The camper shall be deemed to be a load, and fees imposed by this section upon the motor vehicle shall be based upon the unladen weight of the motor vehicle, exclusive of the camper.

(a) For any electric vehicle designed, used, or maintained as described in this section, fees shall be paid for registration according to the following schedule:

Unladen Weight	Fee
Less than 6,000 lbs.	$ 87
6,000 lbs. or more but less than 10,000 lbs.	266
10,000 lbs. or more	358

(b) For any motor vehicle having not more than two axles and designed, used, or maintained as described in this section, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

Unladen Weight	Fee
Less than 3,000 lbs.	$ 8
3,000 lbs. to and including 4,000 lbs.	24
4,001 lbs. to and including 5,000 lbs.	80
5,001 lbs. to and including 6,000 lbs.	154
6,001 lbs. to and including 7,000 lbs.	204
7,001 lbs. to and including 8,000 lbs.	257
8,001 lbs. to and including 9,000 lbs.	308
9,001 lbs. to and including 10,000 lbs.	360
10,001 lbs. to and including 11,000 lbs.	409
11,001 lbs. to and including 12,000 lbs.	462
12,001 lbs. to and including 13,000 lbs.	513
13,001 lbs. to and including 14,000 lbs.	563
14,001 lbs. and over	616

(c) For any motor vehicle having three or more axles, or for any trailer, semitrailer, pole or pipe dolly, logging dolly, or other dolly designed, used, or maintained as described in this section, other than an electric vehicle, fees shall be paid for registration according to the following schedule:

Unladen Weight	Fee
2,000 lbs. to and including 3,000 lbs.	$ 43
3,001 lbs. to and including 4,000 lbs.	77
4,001 lbs. to and including 5,000 lbs.	154
5,001 lbs. to and including 6,000 lbs.	231
6,001 lbs. to and including 7,000 lbs.	308
7,001 lbs. to and including 8,000 lbs.	385
8,001 lbs. to and including 9,000 lbs.	462
9,001 lbs. to and including 10,000 lbs.	539
10,001 lbs. to and including 11,000 lbs.	616
11,001 lbs. to and including 12,000 lbs.	693
12,001 lbs. to and including 13,000 lbs.	770
13,001 lbs. to and including 14,000 lbs.	847
14,001 lbs. to and including 15,000 lbs.	924
15,001 lbs. and over	1,016

(d) This section shall not be applicable to any vehicle which is operated or moved over the highway exclusively for the purpose of historical exhibition or other similar noncommercial purpose.

(e) The fee changes effected by this section apply to (1) initial or original registration on or after January 1, 1995, of any commercial vehicle never before registered in this state and (2) to renewal of registration of any commercial vehicle whose registration expires on or after January 1, 1995.

(f) This section shall become operative on July 1, 1994.

SEC. 23.5. Notwithstanding any other provision of law, all ballots for the June 5, 1990, direct primary election for Senate Constitutional Amendment No. 1 of the 1989–90 Regular Session shall have printed thereon in a square thereof, the words: "The Traffic Congestion Relief and Spending Limitation Act of 1990" and in the same square under those words, the following in eight-point type: "This measure would enact a statewide traffic congestion relief program and update the spending limit on state and local government to better reflect the needs of a growing California population. It would provide new revenues to be used to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. This measure would enact a 55% increase in truck weight fees and a five cent per gallon increase in the fuel tax on August 1, 1990, and an additional one cent on January 1 of each of the next four years. This measure updates the state appropriations limit to allow for new funding for congestion relief, mass transit, health care, services for the elderly, and other priority state programs, while still providing an overall limit on state and local spending. This measure would continue to provide that public education and community colleges receive at least 40% of the state general fund budget, and would provide that revenues in excess of the state appropriations limit are allocated equally between education and taxpayers."

Opposite the square there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 24. Sections 6, 6.5, 9, 10, 11, 21, 22, and 23 of this act shall not become operative unless Senate Constitutional Amendment 1 is approved by the voters at the June 5, 1990, direct primary election.

If Senate Constitutional Amendment 1 is approved, Sections 6, 6.5, 9, 10, 11, and 21 shall become operative on August 1, 1990; Section 22 shall become operative on June 6, 1990; and Section 23 shall become operative on July 1, 1994.

SEC. 25. Notwithstanding Section 24 of this act, this act shall not become operative unless Senate Bill 300 is enacted and becomes operative.

SEC. 26. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act because additional revenues available under this act will be allocated under Senate Bill 300 to local agencies which will exceed the costs mandated by the state under this act.

SEC. 27. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to revise the process of transportation funding, planning, and implementation so as to efficiently, effectively, and economically address the growing traffic congestion in this state, and to utilize as soon as possible the additional state funds made available if the voters approve Senate Constitutional Amendment 1 of the 1989–90 Regular Session, it is necessary that this act take effect immediately.

CHAPTER 107

An act to add Section 143 to the Streets and Highways Code, relating to transportation facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1989. Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares all the following:

(a) It is essential for the economic well-being of the state and the maintenance of a high quality of life that the people of the State of California have an efficient transportation system.

(b) Public sources of revenues to provide an efficient transportation system have not kept pace with California's growing transportation needs, and alternative funding sources should be developed to augment or supplement available public sources of revenue.

(c) One important alternative is privately funded Build-Operate-Transfer (BOT) projects whereby private entities obtain exclusive development agreements to build, with private funds, all or a portion of public transportation projects for the citizens of California.

(d) During the term of the development agreement the private entity will have the right to lease the facility from the state and charge tolls sufficient to retire the private investment in the project (including a reasonable profit), operate and police the facility, maintain the facility, retire any outstanding bonds issued in support of the facility, and to make lease payments to the state.

(e) Privately financed projects allow for joint ventures of private and public entities that do all of the following:

(1) Take advantage of private sector efficiencies in designing and building transportation projects.

(2) Allow for the rapid formation of capital necessary for funding transportation projects.

(3) More quickly bring reductions in congestion in existing transportation corridors

(4) Require continued compliance with environmental requirements and applicable state and federal laws that all publicly financed projects must address.

(5) Offer the traveling public alternate route selections in project areas.

(f) The Department of Transportation should be permitted and encouraged to test the feasibility of building privately funded transportation facilities by developing four demonstration projects.

SEC. 2. Section 143 is added to the Streets and Highways Code, to read:

143. (a) The department may solicit proposals and enter into agreements with private entities, or consortia thereof, for the construction by, and lease to, private entities of four public transportation demonstration projects, at least one of which shall be in northern California and one in southern California.

(b) For the purpose of facilitating those projects, the agreements may include provisions for the lease of rights-of-way in, and airspace over or under, state highways, for the granting of necessary

easements, and for the issuance of permits or other authorizations to enable the private entity to construct transportation facilities supplemental to existing state-owned transportation facilities. Facilities constructed by a private entity pursuant to this section shall, at all times, be owned by the state. The agreement shall provide for the lease of those facilities to the private entity for up to 35 years. In consideration therefor, the agreement shall provide for complete reversion of the privately constructed facility to the state at the expiration of the lease at no charge to the state.

(c) The department may exercise any power possessed by it with respect to the development and construction of state transportation projects to facilitate the development and construction of transportation projects pursuant to this section. Agreements for maintenance and police services entered into pursuant to this section shall provide for full reimbursement for services rendered by the department or other state agencies. The department may provide services for which they are reimbursed with respect to preliminary planning, environmental certification, and preliminary design of the demonstration projects.

(d) Agreements entered into pursuant to this section shall authorize the private entity to impose tolls for use of a facility constructed by it, and shall require that over the term of the lease the toll revenues be applied to payment of the private entity's capital outlay costs for the project, the costs associated with operations, toll collection, and administration of the facility, reimbursement to the state for the costs of maintenance and police services, and a reasonable return on investment to the private entity. The agreement shall require that any excess toll revenue be applied to any indebtedness incurred by the private entity with respect to the project or be paid into the State Highway Account. Subsequent to expiration of the lease of a facility to a private entity, the department may continue to charge tolls for use of the facility.

(e) The plans and specifications for each project constructed pursuant to this section shall comply with the department's standards for state projects. A facility constructed by and leased to a private entity shall, during the term of the lease, be deemed to be a part of the state highway system for purposes of identification, maintenance, enforcement of traffic laws, and for the purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the benefits, which will result from the implementation of this act, to accrue to the state's transportation program as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 108

An act to add Chapter 17 (commencing with Section 2701), Chapter 18, (commencing with Section 2702), and Chapter 19 (commencing with Section 2703) to Division 3 of the Streets and Highways Code, relating to financing a rail transportation program by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

[Approved by Governor July 10, 1989. Filed with Secretary of State July 10, 1989.]

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the Costa Rail Transportation Improvement Act.

SEC. 2. Chapter 17 (commencing with Section 2701) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 17. PASSENGER RAIL AND CLEAN AIR BOND ACT OF 1990

Article 1. General Provisions

2701. This chapter shall be known and may be cited as the Passenger Rail and Clean Air Bond Act of 1990.

2701.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Passenger Rail Finance Committee created pursuant to Section 2701.12.

(b) "Department" means the Department of Transportation.

(c) "Fund" means the Passenger Rail Bond Fund created pursuant to Section 2701.05.

2701.02. The Legislature has provided that, in addition to the one billion dollars ($1,000,000,000) authorized pursuant to this chapter, the Passenger Rail and Clean Air Bond Act of 1992 will be submitted for voter approval for the issuance of additional bonds of one billion dollars ($1,000,000,000) in 1992 and the Passenger Rail and Clean Air Bond Act of 1994 will be submitted for voter approval for the issuance of additional bonds of one billion dollars ($1,000,000,000) in 1994, for a total of three billion dollars ($3,000,000,000).

Article 2. Transportation Improvement Program

2701.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Passenger Rail Bond Fund, which is hereby created.

2701.06. The money in the fund, upon appropriation by the

Legislature, shall be available, without regard to fiscal years, for acquisition of rights-of-way, capital expenditures, and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit and for capital improvements which directly support rail transportation, including exclusive busways which are converted within 10 years after completion of construction into rail lines, grade separations to enhance rail passenger service, and multimodal terminals.

2701.07. The appropriations for capital improvements and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit shall be used only on the following routes and corridors and those specified by statutes enacted by the Legislature:

(a) Intercity Rail.
(1) Los Angeles-San Diego.
(2) Santa Barbara County-Los Angeles.
(3) Los Angeles-Fresno-San Francisco Bay area and Sacramento.
(4) San Francisco Bay area-Sacramento-Auburn.
(5) San Francisco-Eureka.
(b) Commuter Rail.
(1) San Francisco-San Jose.
(2) San Jose-Gilroy.
(3) Gilroy-Monterey.
(4) Stockton-Livermore.
(5) Orange County-Los Angeles.
(6) Riverside County-Orange County.
(7) San Bernardino County-Los Angeles.
(8) Ventura County-San Fernando Valley-Los Angeles.
(9) Saugus-Los Angeles.
(10) Oceanside-San Diego.
(11) Escondido-Oceanside.
(c) Urban Rail Transit.
(1) Sacramento.
(A) Roseville extension.
(B) Hazel extension.
(C) Meadowview extension.
(D) Arena extension.
(2) San Francisco Bay Area Rapid Transit District.
(A) Bayfair-East Livermore.
(B) Concord-East Antioch.
(C) Fremont-Warm Springs.
(D) Daily City-San Francisco International Airport.
(E) Coliseum-Oakland International Airport.
(F) Richmond-Crockett.
(G) Warm Springs-San Jose.
(3) Alameda and Contra Costa Counties.
(A) Pleasanton-Concord.
(4) Santa Clara County.
(A) Sunnyvale-Santa Clara.
(B) San Jose-Vasona.

(C) State Highway Route 237.
(5) San Francisco City and County.
(A) Extensions, improvements, and additions to the San Francisco Municipal Railway.
(6) San Francisco-Santa Rosa-Sonoma.
(7) Santa Cruz County.
(A) Boardwalk area-University of California at Santa Cruz.
(8) Los Angeles Metro Rail.
(A) Wilshire/Alvarado-Wilshire/Western.
(B) Wilshire/Alvarado-Lankershim/Chandler.
(C) San Fernando Valley extension.
(D) Union Station-State Highway Routes 5 and 710.
(E) Wilshire/Western-Wilshire/State Highway Route 405.
(9) Los Angeles County Rail Corridors.
(A) San Fernando Valley.
(B) Pasadena-Los Angeles.
(C) Coastal Corridor (Torrance to Santa Monica).
(D) Santa Monica-Los Angeles.
(E) State Highway Route 5.
(F) State Highway Route 110.
(10) San Diego County.
(A) El Cajon-Santee.
(B) Downtown-Old Town.
(C) Airport-Point Loma.
(D) Old Town-Mission Valley.
(E) Mission Valley-La Mesa.
(F) La Jolla-Miramar.
(G) Old Town-Del Mar.
(H) Downtown-Escondido.
(I) Chula Vista-Otay Mesa.

2701.08. At least 15 percent of the money in the fund shall be used for intercity rail purposes and shall be equitably expended on intercity rail corridors based on the relative population served by each corridor.

Article 3. Fiscal Provisions

2701.10. Bonds in the total amount of one billion dollars ($1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

2701.11. (a) Except as provided in subdivision (b), the bonds

authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 20 years.

2701.12. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Passenger Rail Finance Committee is hereby created. For purposes of this chapter, the Passenger Rail Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the Director of Transportation, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the "board."

2701.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 2701.06 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2701.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2701.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

2701.16. (a) Money may be transferred from the fund to the State Transportation Fund to reimburse the Transportation Planning and Development Account and the State Highway Account for

expenditures made from those accounts, on and after June 6, 1990, for capital improvements and acquisitions of rolling stock for intercity rail, commuter rail, and urban rail transit in accordance with Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of Title 2 of the Government Code, as specified in Section 2701.06.

(b) The amount that may be transferred pursuant to subdivision (a) shall not exceed the amount expended from those accounts for those capital improvements and acquisitions of rolling stock.

2701.17. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.18. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2701.18. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2701.17. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2701.19. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2701.20. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

2701.21. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2701.22. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement

applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

2701.23. Notwithstanding Section 2701.10, bonds may not be issued under this chapter if Senate Constitutional Amendment 1 of the 1989–90 Regular Session is not submitted to, and approved by, the voters at the June 5, 1990, direct primary election.

SEC. 3. Chapter 18 (commencing with Section 2702) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 18. PASSENGER RAIL AND CLEAN AIR BOND ACT OF 1992

Article 1. General Provisions

2702. This chapter shall be known and may be cited as the Passenger Rail and Clean Air Bond Act of 1992.

2702.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Passenger Rail Finance Committee created pursuant to Section 2702.12.

(b) "Department" means the Department of Transportation.

(c) "Fund" means the Passenger Rail Bond Fund created pursuant to Section 2702.05.

2702.02. The Legislature has provided that, in addition to the one billion dollars ($1,000,000,000) authorized pursuant to this chapter, the Passenger Rail and Clean Air Bond Act of 1990 has been submitted for voter approval for the issuance of additional bonds of one billion dollars ($1,000,000,000) in 1990 and the Passenger Rail and Clean Air Bond Act of 1994 will be submitted for voter approval for the issuance of additional bonds of one billion dollars ($1,000,000,000) in 1994, for a total of three billion dollars ($3,000,000,000).

Article 2. Transportation Improvement Program

2702.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Passenger Rail Bond Fund, which is hereby created.

2702.06. The money in the fund, upon appropriation by the Legislature, shall be available, without regard to fiscal years, for acquisition of rights-of-way, capital expenditures, and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit and for capital improvements which directly support rail transportation, including exclusive busways which are converted within 10 years after completion of construction into rail lines, grade separations to enhance rail passenger service, and multimodal terminals.

2702.07. The appropriations for capital improvements and

acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit shall be used only on the following routes and corridors and those specified by statutes enacted by the Legislature:

(a) Intercity Rail.
(1) Los Angeles-San Diego.
(2) Santa Barbara County-Los Angeles.
(3) Los Angeles-Fresno-San Francisco Bay area and Sacramento.
(4) San Francisco Bay area-Sacramento-Auburn.
(5) San Francisco-Eureka.
(b) Commuter Rail.
(1) San Francisco-San Jose.
(2) San Jose-Gilroy.
(3) Gilroy-Monterey.
(4) Stockton-Livermore.
(5) Orange County-Los Angeles.
(6) Riverside County-Orange County.
(7) San Bernandino County-Los Angeles.
(8) Ventura County-San Fernando Valley-Los Angeles.
(9) Saugus-Los Angeles.
(10) Oceanside-San Diego.
(11) Escondido-Oceanside.
(c) Urban Rail Transit.
(1) Sacramento.
(A) Roseville extension.
(B) Hazel extension.
(C) Meadowview extension.
(D) Arena extension.
(2) San Francisco Bay Area Rapid Transit District.
(A) Bayfair-East Livermore.
(B) Concord-East Antioch.
(C) Fremont-Warm Springs.
(D) Daily City-San Francisco International Airport.
(E) Coliseum-Oakland International Airport.
(F) Richmond-Crockett.
(G) Warm Springs-San Jose.
(3) Alameda and Contra Costa Counties.
(A) Pleasanton-Concord.
(4) Santa Clara County.
(A) Sunnyvale-Santa Clara.
(B) San Jose-Vasona.
(C) State Highway Route 237.
(5) San Francisco City and County.
(A) Extensions, improvements, and additions to the San Francisco Municipal Railway.
(6) San Francisco-Santa Rosa-Sonoma.
(7) Santa Cruz County.
(A) Boardwalk area-University of California at Santa Cruz.
(8) Los Angeles Metro Rail.
(A) Wilshire/Alvarado-Wilshire/Western.

(B) Wilshire/Alvarado-Lankershim/Chandler.
(C) San Fernando Valley extension.
(D) Union Station-State Highway Routes 5 and 710.
(E) Wilshire/Western-Wilshire/State Highway Route 405.
(9) Los Angeles County Rail Corridors.
(A) San Fernando Valley.
(B) Pasadena-Los Angeles.
(C) Coastal Corridor (Torrance to Santa Monica).
(D) Santa Monica-Los Angeles.
(E) State Highway Route 5.
(F) State Highway Route 110.
(10) San Diego County.
(A) El Cajon-Santee.
(B) Downtown-Old Town.
(C) Airport-Point Loma.
(D) Old Town-Mission Valley.
(E) Mission Valley-La Mesa.
(F) La Jolla-Miramar.
(G) Old Town-Del Mar.
(H) Downtown-Escondido.
(I) Chula Vista-Otay Mesa.

2702.08. At least 15 percent of the money in the fund shall be used for intercity rail purposes and shall be equitably expended on intercity rail corridors based on the relative population served by each corridor.

Article 3. Fiscal Provisions

2702.10. Bonds in the total amount of one billion dollars ($1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

2702.11. (a) Except as provided in subdivision (b), the bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the

committee shall have a final maturity of not more than 20 years.

2702.12. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Passenger Rail Finance Committee is hereby created. For purposes of this chapter, the Passenger Rail Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the Director of Transportation, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the "board."

2702.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 2702.06 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2702.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2702.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

2702.16. (a) Money may be transferred from the fund to the State Transportation Fund to reimburse the Transportation Planning and Development Account and the State Highway Account for expenditures made from those accounts, on and after November 4, 1992, for capital improvements and acquisitions of rolling stock for intercity rail, commuter rail, and urban rail transit in accordance with Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of Title 2 of the Government Code, as specified in Section 2702.06.

(b) The amount that may be transferred pursuant to subdivision (a) shall not exceed the amount expended from those accounts for those capital improvements and acquisitions of rolling stock.

2702.17. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2702.18. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2702.18. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2702.17. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2702.19. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2702.20. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

2702.21. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2702.22. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

SEC. 4. Chapter 19 (commencing with Section 2703) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 19. PASSENGER RAIL AND CLEAN AIR BOND ACT OF 1994

Article 1. General Provisions

2703. This chapter shall be known and may be cited as the Passenger Rail and Clean Air Bond Act of 1994.

2703.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Passenger Rail Finance Committee created pursuant to Section 2703.12.

(b) "Department" means the Department of Transportation.

(c) "Fund" means the Passenger Rail Bond Fund created pursuant to Section 2703.05.

2703.02. The Legislature has provided that, in addition to the one billion dollars ($1,000,000,000) authorized pursuant to this chapter, the Passenger Rail and Clean Air Bond Act of 1990 has been submitted for voter approval for the issuance of additional bonds of one billion dollars ($1,000,000,000) in 1990 and the Passenger Rail and Clean Air Bond Act of 1992 has been submitted for voter approval for the issuance of additional bonds of one billion dollars ($1,000,000,000) in 1992, for a total of three billion dollars ($3,000,000,000).

Article 2. Transportation Improvement Program

2703.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Passenger Rail Bond Fund, which is hereby created.

2703.06. The money in the fund, upon appropriation by the Legislature, shall be available, without regard to fiscal years, for acquisition of rights-of-way, capital expenditures, and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit and for capital improvements which directly support rail transportation, including exclusive busways which are converted within 10 years after completion of construction into rail lines, grade separations to enhance rail passenger service, and multimodal terminals.

2703.07. The appropriations for capital improvements and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit shall be used only on the following routes and corridors and those specified by statutes enacted by the Legislature:

(a) Intercity Rail.

(1) Los Angeles-San Diego.

(2) Santa Barbara County-Los Angeles.

(3) Los Angeles-Fresno-San Francisco Bay area and Sacramento.

(4) San Francisco Bay area-Sacramento-Auburn.

(5) San Francisco-Eureka.

(b) Commuter Rail.

(1) San Francisco-San Jose.
(2) San Jose-Gilroy.
(3) Gilroy-Monterey.
(4) Stockton-Livermore.
(5) Orange County-Los Angeles.
(6) Riverside County-Los Angeles.
(7) San Bernardino County-Los Angeles.
(8) Ventura County-San Fernando Valley-Los Angeles.
(9) Saugus-Los Angeles.
(10) Oceanside-San Diego.
(11) Escondido-Oceanside.
(c) Urban Rail Transit.
(1) Sacramento.
(A) Roseville extension.
(B) Hazel extension.
(C) Meadowview extension.
(D) Arena extension.
(2) San Francisco Bay Area Rapid Transit District.
(A) Bayfair-East Livermore.
(B) Concord-East Antioch.
(C) Fremont-Warm Springs.
(D) Daily City-San Francisco International Airport.
(E) Coliseum-Oakland International Airport.
(F) Richmond-Crockett.
(G) Warm Springs-San Jose.
(3) Alameda and Contra Costa Counties.
(A) Pleasanton-Concord.
(4) Santa Clara County.
(A) Sunnyvale-Santa Clara.
(B) San Jose-Vasona.
(C) State Highway Route 237.
(5) San Francisco City and County.
(A) Extensions, improvements, and additions to the San Francisco Municipal Railway.
(6) San Francisco-Santa Rosa-Sonoma.
(7) Santa Cruz County.
(A) Boardwalk area-University of California at Santa Cruz.
(8) Los Angeles Metro Rail.
(A) Wilshire/Alvarado-Wilshire/Western.
(B) Wilshire/Alvarado-Lankershim/Chandler.
(C) San Fernando Valley extension.
(D) Union Station-State Highway Routes 5 and 710.
(E) Wilshire/Western-Wilshire/State Highway Route 405.
(9) Los Angeles County Rail Corridors.
(A) San Fernando Valley.
(B) Pasadena-Los Angeles.
(C) Coastal Corridor (Torrance to Santa Monica).
(D) Santa Monica-Los Angeles.
(E) State Highway Route 5.

(F) State Highway Route 110.
(10) San Diego County.
(A) El Cajon-Santee.
(B) Downtown-Old Town.
(C) Airport-Point Loma.
(D) Old Town-Mission Valley.
(E) Mission Valley-La Mesa.
(F) La Jolla-Miramar.
(G) Old Town-Del Mar.
(H) Downtown-Escondido.
(I) Chula Vista-Otay Mesa.

2703.08. At least 15 percent of the money in the fund shall be used for intercity rail purposes and shall be equitably expended on intercity rail corridors based on the relative population served by each corridor.

Article 3. Fiscal Provisions

2703.10. Bonds in the total amount of one billion dollars ($1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

2703.11. (a) Except as provided in subdivision (b), the bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 20 years.

2703.12. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Passenger Rail Finance Committee is hereby created. For purposes of this chapter, the Passenger Rail Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the Director of Transportation, or their designated representatives.

The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the "board."

2703.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 2703.06 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2703.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2703.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

2703.16. (a) Money may be transferred from the fund to the State Transportation Fund to reimburse the Transportation Planning and Development Account and the State Highway Account for expenditures made from those accounts, on and after November 9, 1994, for capital improvements and acquisitions of rolling stock for intercity rail, commuter rail, and urban rail transit in accordance with Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of Title 2 of the Government Code, as specified in Section 2703.06.

(b) The amount that may be transferred pursuant to subdivision (a) shall not exceed the amount expended from those accounts for those capital improvements and acquisitions of rolling stock.

2703.17. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2703.18. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in

accordance with this chapter.

2703.18. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2703.17. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2703.19. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2703.20. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

2703.21. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2703.22. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

SEC. 5. (a) Section 2 of this act shall take effect upon the adoption by the voters of the Passenger Rail and Clean Air Bond Act of 1990, as set forth in Section 2 of this act.

(b) Section 3 of this act shall take effect upon the adoption by the voters of the Passenger Rail and Clean Air Bond Act of 1992, as set forth in Section 3 of this act.

(c) Section 4 of this act shall take effect upon the adoption by the voters of the Passenger Rail and Clean Air Bond Act of 1994, as set forth in Section 4 of this act.

SEC. 6. (a) Section 2 of this act shall be submitted to the voters at the June 5, 1990, direct primary election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

(b) Section 3 of this act shall be submitted to the voters at the

November 3, 1992, general election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

(c) Section 4 of this act shall be submitted to the voters at the November 8, 1994, general election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 7. Notwithstanding any other provision of law, all ballots of the June 5, 1990, direct primary election shall have printed thereon and in a square thereof, the words: "Passenger Rail and Clean Air Bond Act of 1990," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one billion dollars ($1,000,000,000) to provide funds for acquisition of rights-of-way, capital expenditures, and acquisitions of rolling stock for intercity rail, commuter rail, and rail transit programs." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 8. Notwithstanding any other provision of law, all ballots of the November 3, 1992, general election shall have printed thereon and in a square thereof, the words: "Passenger Rail and Clean Air Bond Act of 1992," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one billion dollars ($1,000,000,000) to provide funds for acquisition of rights-of-way, capital expenditures, and acquisitions of rolling stock for intercity rail, commuter rail, and rail transit programs." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 9. Notwithstanding any other provision of law, all ballots of the November 8, 1994, general election shall have printed thereon and in a square thereof, the words: "Passenger Rail and Clean Air Bond Act of 1994," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one billion dollars ($1,000,000,000) to provide funds for acquisition of rights-of-way, capital expenditures, and acquisitions of rolling stock for intercity rail, commuter rail, and rail transit programs." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote

for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

CHAPTER 109

An act to add and repeal Article 8 (commencing with Section 228) of Chapter 1 of Division 1 of the Streets and Highways Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. Article 8 (commencing with Section 228) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 8. "Fast Track" Highway Construction Projects

228. The Legislature finds and declares:

(a) The responsibility of the Department of Transportation for the design and construction of all state highway projects has been burdened with statutory and administrative requirements which do not recognize the myriad of improvement projects which have minimal adverse environmental consequences and which do not impinge on the rights of public citizens.

(b) Highway projects, such as, but not limited to, safety, congestion relief, interchanges, rehabilitation, and bridge widening and replacements, are undertaken to extend the useful life of the existing system or are initiated to improve the motorist's traveling experience. Notwithstanding these beneficial purposes and intents, these projects are subject to processing requirements and the full range of environmental counterchecks.

(c) Based on data available in the proposed 1989–90 Budget Bill, total capital outlay support costs of six hundred seven million dollars ($607,000,000) from state and federal sources represents 43 percent of the total one billion four hundred twenty-two million dollars ($1,422,000,000) amount from state and federal sources proposed for capital outlay expenditures.

(d) In order to reduce support and contract costs, eliminate inflation costs due to delays, cut red tape, and expedite processing of projects, the Legislature finds it desirable and necessary to authorize a procedure to permit the Department of Transportation to "fast

track" highly beneficial projects which have no environmental impacts and require little or no property for right-of-way purposes. This "fast track" process shall commence only after the environmental review process is complete, so that it will not infringe on the goals and policies of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(e) To ensure that appropriate project design and engineering cost savings are achieved and made available for highway program purposes, the "fast track" process and related procedures incorporate specific capital outlay support expenditure targets.

228.1. For purposes of this article, "fast-track project" means a project which meets all of the following criteria:

(a) The project is a state highway project included in the state transportation improvement program pursuant to Section 14529 of the Government Code or on the list adopted pursuant to Section 14530.5 of the Government Code.

(b) A notice of determination has been filed for the project pursuant to Section 21108 or 21152 of the Public Resources Code.

(c) The project is located within an existing right-of-way.

(d) The project will not increase existing highway capacity.

(e) The escalated cost of the project in the state transportation improvement program, or on the list adopted pursuant to Section 14530.5 of the Government Code, at the initiation of the project by the department shall not be more than two million five hundred thousand dollars ($2,500,000). A project may not be designated as a fast-track project by the director if the project scope is significantly altered after initiation of project development work and the scope change increases the estimated cost of the project to be more than two million five hundred thousand dollars ($2,500,000).

(f) The project does not consist of more than one continuous, mixed-flow lane in each direction, except for necessary grade or interchange realignment or adjustment necessary to match the width of existing adjacent roadways.

(g) The project will have no impact on the environment, and no significant impact on issues under the jurisdiction of each affected local, regional, state, and federal agency as determined and certified by each affected agency.

(h) The project is for one of the following purposes:

(1) Strengthening and rehabilitation of bridge and railroad grade separation structures.

(2) High-occupancy vehicle, vehicle passing, two-way turn, or auxiliary lanes.

(3) Interchange modification.

(4) Traffic channelization and signalization or installation of traffic operation systems.

(5) Pavement reconstruction or resurfacing.

(6) Safety installation and upgrading of guardrail and median barriers.

228.2. The director may preliminarily designate a project as a fast-track project any state highway project eligible under Section 228.1 by issuing a notice to this effect within 24 hours of that designation to each state and local agency that would be affected by or must issue a permit for or approve the project. The notice of preliminary designation shall provide a description of the project and addend a copy of all relevant California Environmental Quality Act documents.

228.3. Each agency notified under Section 228.2 may, within 45 days of receipt, object to the designation by filing a notice to that effect with the department. Failure to file an objection within a 45 day period by any agency shall be deemed as that agency's acceptance of the designation and the expedited process prescribed by this article.

228.4. Any project which has been designated as a fast-track project pursuant to Section 228.2, and for which an objection has been filed, shall be referred to a fast-track panel made up of the following persons:

(a) The Secretary of the Business, Transportation and Housing Agency, or his or her designee.

(b) The Secretary of the Resources Agency, or his or her designee.

(c) (1) When the objecting permitting agency is a board or commission, the chairperson of that agency, or the executive director if the board or commission has no chairperson.

(2) If the objecting permitting agency is a department, the director, or his or her designee.

(3) If the objecting agency is a local agency, a person designated by the governing body of that agency.

228.5. (a) If a fast-track project is referred to the panel established pursuant to Section 228.4, the panel shall take all of the following actions:

(1) Within 24 hours of referral of the project to the panel, the panel shall, in the manner prescribed by Section 21092 of the Public Resources Code, give notice to the agency filing the objection and to the public of the date, time, and location of the hearing at which the panel will consider the objection.

(2) Not less than 10 working days after notice has been given to the public and to the objecting agency, the panel shall hold a public hearing at the date, time, and location specified in the notice to consider whether to uphold or deny the fast-track designation made by the director pursuant to Section 228.2. If one or more of the fast-track panel members, or his or her designee, is not present at the public hearing, the project shall be removed from fast-track status and may not be redesignated as a fast-track project.

(3) After the public hearing, the panel shall, by a majority vote, uphold or deny the fast-track designation. If the panel upholds the fast-track designation, it shall state its reasons for doing so in writing at the time the decision is rendered and make its findings available to the public and to the objecting agency.

(b) If the panel fails to perform any of the requirements specified in subdivision (a), or if it denies the fast-track designation of a project, the project shall be removed from fast-track status and may not be redesignated as a fast-track project.

(c) The panel shall uphold the fast-track designation for any project only if it finds and determines that the project is consistent with all applicable local, state, and federal laws and regulations adopted pursuant thereto.

228.6. The department shall, within two years of final designation of a fast-track project, complete all engineering, right-of-way acquisition, and other matters preliminary to bid advertisement for the project.

228.8. The department shall include in its application for a permit to a permitting agency notice that the project has been designated fast track together with a statement of the consequences of that designation.

228.9. Upon receipt of an application for a permit for a fast-track project, the permitting agency:

(a) Shall act on the application within its own statutory limit for action or 120 days, whichever is less, not including the time during which the application has been returned to the department for additional information, or the application shall be deemed to have been approved.

(b) May impose conditions only in accordance with comments it has made for the project's California Environmental Quality Act document or material presented to the fast-track panel.

228.10. If the permitting agency denies the permit, it shall notify the department immediately of that fact and its reasons. The department may accept those reasons and remove the project from the fast-track process or the department may appeal the permit rejection to the fast-track panel. The fast-track panel shall consider the appeal in accordance with the procedures prescribed by Section 228.5.

228.11. This article shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute which is enacted before January 1, 1997, extends or deletes that date.

SEC. 2. Section 1 of this act shall not become operative unless Senate Constitutional Amendment 1 of the 1989–90 Regular Session is approved by the voters.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the savings which will result from the implementation of this act to accrue for the benefit of the state's highway construction program as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 110

An act to amend Section 25661 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25661 of the Business and Professions Code is amended to read:

25661. Any person under the age of 21 years who presents or offers to any licensee, his or her agent or employee, any written, printed, or photostatic evidence of age and identity which is false, fraudulent or not actually his or her own for the purpose of ordering, purchasing, attempting to purchase or otherwise procuring or attempting to procure, the serving of any alcoholic beverage, or who has in his or her possession any false or fraudulent written, printed, or photostatic evidence of age and identity, is guilty of a misdemeanor and shall be punished by a fine of at least two hundred fifty dollars ($250), no part of which shall be suspended; or the person shall be required to perform not less than 24 hours nor more than 32 hours of community service during hours when the person is not employed and is not attending school, or a combination of fine and community service as determined by the court.

CHAPTER 111

An act to amend Section 20202 of the Water Code, relating to water districts.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 20202 of the Water Code is amended to read:

20202. In any ordinance adopted pursuant to this chapter to increase the amount of compensation which may be received by members of the governing board of a water district above the amount of one hundred dollars ($100) per day, the increase may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted.

No ordinance adopted pursuant to this chapter shall authorize compensation for more than a total of 10 days in any calendar month.

CHAPTER 112

An act to amend Section 25608 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 10, 1989. Filed with Secretary of State July 10, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25608 of the Business and Professions Code is amended to read:

25608. Every person who possesses, consumes, sells, gives, or delivers to any other person, any alcoholic beverage in or on any public schoolhouse or any of the grounds thereof, is guilty of a misdemeanor. This section does not, however, make it unlawful for any person to acquire, possess, or use any alcoholic beverage in or on any public schoolhouse, or on any grounds thereof, if any of the following applies:

(a) The alcoholic beverage is acquired, possessed, or used in connection with a course of instruction given at the school and the person has been authorized to acquire, possess, or use it by the governing body or other administrative head of the school.

(b) The public schoolhouse is surplus school property and the grounds thereof are leased to a lessee which is a general law city with a population of less than 50,000, or the public schoolhouse is surplus school property and the grounds thereof are located in an unincorporated area and are leased to a lessee which is a civic organization, and the property is to be used for community center purposes and no public school education is to be conducted thereon by either the lessor or the lessee and the property is not being used by persons under the age of 21 years for recreational purposes at any time during which alcoholic beverages are being sold or consumed on the premises.

(c) The alcoholic beverages are acquired, possessed, or used during events at a college-owned or operated veterans stadium with a capacity of over 12,000 people, located in a county with a population of over six million people. As used in this subdivision, "events" mean football games sponsored by a college, other than a public community college, or other events sponsored by noncollege groups.

(d) The alcoholic beverages are acquired, possessed, or used during an event not sponsored by any college at a performing arts facility built on property owned by a community college district and leased to a nonprofit organization which is a public benefit corporation formed under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. As used in this subdivision, "performing arts facility" means an auditorium with more than 300 permanent seats.

(e) The alcoholic beverage is wine for sacramental or other

religious purposes and is used only during authorized religious services held on or before January 1, 1995.

(f) The alcoholic beverages are acquired, possessed, or used during an event at a community center owned by a community services district and the event is not held at a time when students are attending a public school sponsored activity at the center.

Any person convicted of a violation of this section shall, in addition to the penalty imposed for the misdemeanor, be barred from having or receiving any privilege of the use of public school property which is accorded by Article 2 (commencing with Section 82530) of Chapter 8 of Part 49 of the Education Code.

CHAPTER 113

An act to amend Section 3901.5 of, to amend the heading of Article 4 (commencing with Section 4181) of Chapter 6 of Part 3 of Division 3 of, and to repeal Section 4181 of, the Food and Agricultural Code, relating to district agricultural associations.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3901.5 of the Food and Agricultural Code is amended to read:

3901.5. District 51 is all the portion of Los Angeles City which is described as follows:

From a point commencing where the most northerly boundary of the City of Los Angeles intersects with the Golden State Freeway and following on the city boundary in an easterly direction where the boundary first intersects with the boundary of the City of Burbank; thence continuing southeasterly along the Burbank City boundary to its intersection with Barham Boulevard; thence in a southerly direction on Barham Boulevard to its intersection with Cahuenga Boulevard; thence in a southeasterly direction on Cahuenga Boulevard to Mulholland Drive; thence along Mulholland Drive to the Los Angeles City boundary; thence following the Los Angeles City boundary west and northerly until the boundary intersects with the Los Angeles-Ventura County line, thence following the Los Angeles County line north to the Kern County line, and east to the Golden State Freeway, and thence in a southerly direction on the Golden State Freeway to the starting point at the Golden State Freeway.

SEC. 2. The heading of Article 4 (commencing with Section 4181) of Chapter 6 of Part 3 of Division 3 of the Food and Agricultural Code is amended to read:

Article 4. 51st District Agricultural Association

SEC. 3. Section 4181 of the Food and Agricultural Code is repealed.

CHAPTER 114

An act to add Sections 25845.5 and 38773.7 to the Government Code, relating to nuisance.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25845.5 is added to the Government Code, to read:

25845.5. The board of supervisors, by ordinance, may provide that upon entry of a second or subsequent civil or criminal judgment within a two-year period finding that an owner of property is responsible for a condition that may be abated in accordance with an ordinance enacted pursuant to Section 25845, except for conditions abated pursuant to Section 17980 of the Health and Safety Code, the court may order the owner to pay treble the costs of the abatement.

SEC. 2. Section 38773.7 is added to the Government Code, to read:

38773.7. The legislative body, by ordinance, may provide that upon entry of a second or subsequent civil or criminal judgment within a two-year period finding that an owner of property is responsible for a condition that may be abated in accordance with an ordinance enacted pursuant to Section 38773.5, except for conditions abated pursuant to Section 17980 of the Health and Safety Code, the court may order the owner to pay treble the costs of the abatement.

CHAPTER 115

An act to amend Section 22300 of, and to add Sections 22206.5 and 23400.4 to the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22206.5 is added to the Education Code, to read:

22206.5. (a) Beginning in the 1989–90 fiscal year, and until the first fiscal year in which the Supplemental Benefit Maintenance Account established by Section 22300 derives sufficient resources from the General Fund pursuant to Section 23400.4 to provide purchasing power of 68.2 percent as authorized by Section 24703, the board shall transfer from the Teachers' Retirement Fund to the Supplemental Benefit Maintenance Account those funds which are necessary to provide purchasing power of 68.2 percent as authorized by Section 24703. This subdivision shall become inoperative in the first fiscal year following the joint determination by the board and the Director of Finance that the funds scheduled for transfer from the General Fund pursuant to Section 23400.4 to the Supplemental Benefit Maintenance Account are adequate to meet the purposes of Section 24703.

(b) The funds advanced pursuant to subdivision (a) and any funds appropriated by Item No. 1920-111-835 of the Budget Act of 1989 from the Teachers' Retirement Fund to provide purchasing power protection payments shall be repaid from those funds transferred pursuant to Section 23400.4 which are in excess of the resources required to meet the purposes of Section 24703. Repayment shall commence in any year in which such excess funds exists and shall continue until the time all funds advanced under this section and any funds appropriated by Item No. 1920-111-835 of the Budget Act of 1989 from the Teachers' Retirement Fund to provide purchasing power protection payments are repaid. Repayment shall include regular interest from the time funds are advanced or appropriated until the time of repayment. After full repayment is made, the Director of Finance shall, notwithstanding Section 23400.4, adjust the percentage of the General Fund transfer in the amount which causes the balance in the account to equal a three-year reserve at the end of the subsequent fiscal year. The Director of Finance may base the adjusted rate on data provided by the board for projected payments in subject years, projected payroll, projected interest accrual to the account, and any other factors deemed relevant by the board.

(c) Notwithstanding Section 24703 or any other provision of law, if the state's contributions to the Teachers' Retirement Fund provided by Section 23400.4 are, for any reason whatsoever, reduced or terminated before the Teachers' Retirement Fund is fully repaid, as provided in subdivision (b), for all advances or transfers made pursuant to subdivision (a) and for any appropriations made by Item No. 1920-111-835 of the Budget Act of 1989 from the Teachers' Retirement Fund to provide purchasing power protection payments, all duties of the Teachers' Retirement Board to make the advances or transfers required by subdivision (a) and to make the distributions required by Section 24703 shall immediately cease and shall have no further force or effect.

(d) It is the intent of the Legislature, in enacting the Supplemental Benefit Maintenance Program which is embodied in this section and Sections 22300, 23400.4, and 24703, not to manifest

any promise, except as provided in subdivision (c) of Section 23400.4, which, when accepted, would create a contract, express or implied. Notwithstanding any other provision of this part, nothing in the sections establishing the Supplemental Benefit Maintenance Program shall be construed as a basis for any implied contractual obligation, or as an element of exchange of consideration by a private party for consideration offered by the state, or as an intent to grant private rights of contract, or as conferring any vested right whatsoever on any present or future member, present or future annuitant, present or future surviving spouse of a present or future member or a present or future annuitant, surviving child of a present or future member or a present or future annuitant, or present or future beneficiary of the State Teachers' Retirement System.

(e) Upon the mandatory inclusion of all members of the system within the Social Security system, the board shall review the benefit structure established by Section 24703 and the funding mechanism provided therefor by this section and Section 23400.4 and shall be prepared to provide an alternate benefit structure similar to those set forth in the report of the system entitled "Development of an Alternative Retirement Plan," dated March 1, 1989, and prepared pursuant to Section 22240.

(f) The board shall report annually to the Director of Finance and the appropriate fiscal and policy committees of the Legislature upon the benefits paid pursuant to Section 24703 and all actions taken pursuant to Section 23400.4 and this section.

SEC. 2. Section 22300 of the Education Code is amended to read:

22300. There is in the State Treasury a special trust fund to be known as the Teachers' Retirement Fund. There shall be deposited in that fund the assets of the system and its predecessors, consisting of employee contributions, employer contributions, state contributions, appropriations made to it by the Legislature, income on investments, other interest income, income from fees and penalties, donations, legacies, bequests made to it and accepted by the board and any other amounts provided by this part. General Fund transfers pursuant to Section 23400.4 shall be placed in a segregated account known as the Supplemental Benefit Maintenance Account within the Teachers' Retirement Fund, which is continuously appropriated without regard to fiscal years, notwithstanding Section 13340 of the Government Code, for expenditure for the purposes of Section 24703 and subdivisions (a) and (b) of Section 22206.5.

Disbursement of money from the Teachers' Retirement Fund of whatever nature shall be made upon claims duly audited in the manner prescribed for the disbursement of other public funds except that notwithstanding the foregoing disbursements may be made to return funds deposited in the fund in error.

SEC. 3. Section 23400.4 is added to the Education Code, to read:

23400.4. (a) In addition to any other contributions required by this part, on July 1, 1990, and on July 1 of each subsequent year, the

Controller, subject to Section 22206.5, shall transfer, based on estimated payroll data provided by the board, the following percentages of the total of the prior year salaries upon which members' contributions are based to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund, for the purpose of funding the supplemental payments authorized under Section 24703:

(1) For the fiscal year ending June 30, 1991	0.50%
(2) For the fiscal year ending June 30, 1992	1.00%
(3) For the fiscal year ending June 30, 1993	1.50%
(4) For the fiscal year ending June 30, 1994	2.00%
(5) For the fiscal year ending June 30, 1995, and each fiscal year thereafter	2.50%

These transfers shall be based upon estimated payroll data provided to the Director of Finance by the board and shall be adjusted in January of that same fiscal year to reflect actual payroll data.

(b) The board may deduct from the annual state contributions made pursuant to this section an amount necessary for the administrative expenses to implement Section 24703, subject to the annual Budget Act.

(c) Notwithstanding any other provision of law, it is the intent of the Legislature, in establishing the Supplemental Benefit Maintenance Program which is embodied in this section and Sections 22206.5, 22300, and 24703, to manifest a contractually enforceable promise to repay the Teachers' Retirement Fund in full, with interest, as provided in subdivision (b) of Section 22206.5, for all transfers or advances made from the Teachers' Retirement Fund pursuant to subdivision (a) of Section 22206.5 and for any funds appropriated by Item No. 1920-111-835 of the Budget Act of 1989 from the Teachers' Retirement Fund to provide purchasing power protection payments.

(d) Except as provided in subdivision (c), the Legislature reserves the right to reduce or terminate the state's contributions to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund provided by this section and to reduce or terminate the distributions required by Section 24703. It is intended that any legislative reduction or termination of the state's contributions to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund provided by this section or any reduction or termination of distributions required by Section 24703, shall be effectuated by a separate statute rather than by an annual Budget Act.

SEC. 4. This act shall not take effect unless Senate Bill 1513 of the 1989–90 Regular Session of the Legislature is enacted in 1989 and, as enacted, adds Section 24703 to the Education Code which provides for the distribution of the proceeds of the Supplemental Benefit

Maintenance Account in the Teachers' Retirement Fund.

SEC. 5. This act and the chaptered version of Senate Bill 1513 of the 1989–90 Regular Session of the Legislature shall be known, and may be cited, as the Cecil Green-William Campbell-Dave Elder Act.

CHAPTER 116

An act to amend Section 24701 of, and to add Section 24703 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor July 10, 1989 Filed with Secretary of State July 10, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 24701 of the Education Code is amended to read:

24701. (a) Annual cost-of-living adjustments for retirants, disabilitants, and beneficiaries in excess of the 2-percent adjustment authorized by Section 22131 may be included as a General Fund appropriation in the annual Budget Act. In the annual budget submitted to the Legislature, the Governor shall include a budget item equal to 5 percent of the average annualized statewide increase in payroll for certificated personnel over the three previous school years among school districts, county offices of education, and community college districts.

The amount submitted in the Budget Act pursuant to this section shall be considered as part of the overall budget allocations to the public schools and community colleges.

(b) The annual appropriation shall be made to the State Teachers' Retirement System on July 1, and shall be placed in a segregated account called the Retirees' Purchasing Power Protection Account. The proceeds of that account are continuously appropriated and shall be distributed annually in quarterly payments commencing on September 1 to retirants, disabilitants, and beneficiaries as follows:

(1) The proceeds shall be allocated among those retirants, disabilitants, and beneficiaries whose allowances, after applying the 2-percent adjustment authorized by Section 22131, have the lowest purchasing power percentage, based on the amount that would be paid had the original allowance been increased by increases in the index then being used by the Department of Finance to measure changes in the cost of living, increasing those allowances to a common minimum purchasing power level. In any year in which the purchasing power of the allowances of all retirants, disabilitants, and beneficiaries equals not less than 75 percent and additional funds remain from the allocation authorized by this section, those funds shall be allocated by the board to general accounts to reduce the unfunded actuarial liability of the fund.

(2) The board may deduct from the annual appropriation an amount necessary for administrative expenses to implement this section.

(c) The board shall inform each recipient of benefits under subdivision (b) that the increases are not cumulative, not part of the base retirement allowance, and will be available only as appropriated annually in the state Budget Act.

(d) The adjustments authorized by this section shall not be included in the base allowance for purposes of calculating the 2-percent adjustment authorized by Section 22131.

(e) It is the ultimate intent and purpose of the Legislature in amending this section at the 1983–84 Regular Session to achieve a common minimum purchasing power level equal to 75 percent of the purchasing power of the original retirement allowance. It is the present intent of the Legislature that until adequate funds are available to fulfill the ultimate intent, those persons whose retirement allowances have been most impacted by inflation shall be accorded first priority in receiving, pursuant to this section, supplemental cost-of-living adjustments from the Retirees' Purchasing Power Protection Account.

(f) This section shall not be operative in any fiscal year during which, as determined by the Teachers' Retirement Board, distributions provided for by Section 24703 are being made.

SEC. 2. Section 24703 is added to the Education Code, to read:

24703. (a) The proceeds of the Supplemental Benefit Maintenance Account shall, except as otherwise provided by Section 22206.5, be distributed annually in quarterly supplemental payments commencing on September 1, 1990, to retirants, disabilitants, and beneficiaries. The amount available for distribution in any fiscal year shall not exceed the amount necessary to restore purchasing power up to 68.2 percent of the purchasing power of the initial monthly allowance after the application of all allowance increases authorized by this part, including those specified in Section 24702.

(b) The net revenues to be distributed shall be allocated among those retirants, disabilitants, and beneficiaries whose allowances, after sequentially applying the annual improvement factor as defined in Sections 22131 and 22131.1, and the annual supplemental payment as defined in Section 24702, have the lowest purchasing power percentage. The purchasing power calculation for each individual shall be based on the change in the All Urban California Consumer Price Index between June of the calendar year of retirement and June of the fiscal year preceding the fiscal year of distribution. In any year in which the purchasing power of the allowances of all retirants, disabilitants, and beneficiaries equals not less than 68.2 percent and additional funds remain from the allocation authorized by this section, those funds shall remain in the Supplemental Benefit Maintenance Account for allocation in future years.

(c) The allowance increase shall not be applicable to annuities

payable from the accumulated annuity deposit contributions or the accumulated tax-sheltered annuity contributions.

(d) The benefits provided by subdivision (b) are not cumulative, not part of the base retirement allowance, and will be payable only to the extent that funds are available from the Supplemental Benefit Maintenance Account. The board shall inform each recipient of the contents of this subdivision.

(e) The adjustments authorized by this section are not vested and shall not be included in the base allowance for purposes of calculating the annual improvement defined by Sections 22131 and 22131.1.

SEC. 3. This act shall not take effect unless Senate Bill 1407 of the 1989–90 Regular Session of the Legislature is enacted in 1989 and, as enacted, amends Section 22300 of, and adds Sections 22206.5 and 23400.4 to, the Education Code, to provide funding mechanisms for the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund.

SEC. 4. This act and the chaptered version of Senate Bill 1407 of the 1989–90 Regular Session of the Legislature shall be known, and may be cited, as the Cecil Green-William Campbell-Dave Elder Act.

CHAPTER 117

An act to amend Sections 14570 and 14571.8 of, and to amend, repeal, and add Section 14591 of, the Public Resources Code, relating to beverage containers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14570 of the Public Resources Code is amended to read:

14570. (a) Every dealer shall identify, by a clear and conspicuous sign posted at the dealer's place of business, the address and major cross streets, as provided by the department, of at least the recycling center, location, or locations, nearest to the dealer, which redeems all types of empty beverage containers at one location during at least 30 hours per week with a minimum of five hours of operation occurring during periods other than from Monday to Friday, from 9 a.m. to 5 p.m.

(b) Notwithstanding subdivision (a), the department may require a certified recycling center to operate not more than 15 hours of those 30 hours per week other than during 9 a.m. to 5 p.m. if the department determines it is necessary to further the goals of this division as specified in Section 14501. Prior to acting under this subdivision, the department shall conduct a public hearing and shall

consider consumer convenience, economic impact on the certified recycling centers, public health and safety, local zoning requirements, neighborhood opinion, and any other relevant factors.

SEC. 2. Section 14571.8 of the Public Resources Code is amended to read:

14571.8. (a) If the department determines that Section 14571 cannot be fulfilled in a particular convenience zone due to local zoning or dealer's leasehold restrictions for leases in effect on January 1, 1987, and that these factors are beyond the control of the department and the dealer, the department may establish an alternative minimum convenience requirement for that convenience zone which shall not conflict with the purposes of this division. No lease entered into by a dealer after January 1, 1987, may contain a leasehold restriction that prohibits or results in the prohibition of the establishment of a recycling location.

(b) The director may grant an exemption to the requirements of Section 14571 for an individual convenience zone only if all of the following conditions are met:

(1) The exemption will not significantly decrease the ability of consumers to conveniently return beverage containers for the redemption value.

(2) The volume of beverage containers redeemed in the convenience zone is below the statewide average.

(3) The exemption will further the purposes of this division.

(4) The department conducts a public hearing for purposes of taking testimony on whether or not to provide an exemption from Section 14571.

(5) The exemption will prevent the creation of excessive recycling locations which would result in severe adverse local market conditions for recycled materials.

(c) Upon request of a city or county, the director may grant an exemption from the requirements of Section 14571 for the location of an individual nonprofit recycling center, or for a curbside recycling program, if the conditions established under subdivision (b) are met and, for an exemption granted for a curbside recycling program, the program recycles all types of beverage containers from households at least once every two weeks or twice monthly.

(d) The total number of exemptions granted by the director under this section shall not exceed 10 percent of the total number of convenience zones identified by the department pursuant to this section.

(e) The department shall annually prepare and submit to the Governor and the Legislature a report on curbside recycling programs and on the potential need for exemption authority additional to that provided by subdivision (d).

SEC. 3. Section 14591 of the Public Resources Code is amended to read:

14591. (a) Except as provided in subdivision (b), in addition to any other applicable civil or criminal penalties, any person convicted

of a violation of this division is guilty of an infraction, which is punishable by a fine of not more than one hundred dollars ($100) per day.

(b) Every person who, with intent to defraud, submits a false or fraudulent claim for payment pursuant to Section 14573 or 14573.5 or who, with intent to defraud, fails to accurately report the number of beverage containers sold, as required by subdivision (b) of Section 14550, or who, with intent to defraud, fails to make payments as required by Section 14574 or who, with intent to defraud, redeems containers which have already been redeemed or returns redeemed containers to the marketplace for reredemption with intent to defraud, or who submits a false or fraudulent claim for convenience incentive payments pursuant to Section 14585, is guilty of fraud. If the money obtained or withheld exceeds four hundred dollars ($400), the fraud is punishable by imprisonment in the county jail for not more than one year or by a fine not exceeding one thousand dollars ($1,000), or by both, or by imprisonment in the state prison for 16 months, two years, or three years, or by a fine not exceeding ten thousand dollars ($10,000) or twice the late or unmade payments plus interest, whichever is greater, or by both fine and imprisonment. If the money obtained or withheld equals, or is less than, four hundred dollars ($400), the fraud is punishable by imprisonment in the county jail for not more than six months or by a fine not exceeding one thousand dollars ($1,000), or by both.

(c) Any person who violates this division may be assessed a civil penalty by the department of up to one hundred dollars ($100) per day pursuant to a hearing and notice.

(d) The department shall suspend all convenience incentive payments received by any certified recycling center for up to six months, but not less than two months, from the date of a third violation assessed upon that recycling center pursuant to subdivision (c) within a one-year period, commencing upon the effective date of the act amending this section.

(e) This section shall remain in effect until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 4. Section 14591 is added to the Public Resources Code, to read:

14591. (a) Except as provided in subdivision (b), in addition to any other applicable civil or criminal penalties, any person convicted of a violation of this division is guilty of an infraction, which is punishable by a fine of not more than one hundred dollars ($100) per day.

(b) Every person who, with intent to defraud, submits a false or fraudulent claim for payment pursuant to Section 14573 or 14573.5 or who, with intent to defraud, fails to accurately report the number of beverage containers sold, as required by subdivision (b) of Section 14550, or who, with intent to defraud, fails to make payments as required by Section 14574 or who, with intent to defraud, redeems

containers which have already been redeemed or returns redeemed containers to the marketplace for reredemption with intent to defraud, or who submits a false or fraudulent claim for convenience incentive payments pursuant to Section 14585, is guilty of fraud. If the money obtained or withheld exceeds four hundred dollars ($400), the fraud is punishable by imprisonment in the county jail for not more than one year or by a fine not exceeding one thousand dollars ($1,000), or by both, or by imprisonment in the state prison for 16 months, two years, or three years, or by a fine not exceeding ten thousand dollars ($10,000) or twice the late or unmade payments plus interest, whichever is greater, or by both fine and imprisonment. If the money obtained or withheld equals, or is less than, four hundred dollars ($400), the fraud is punishable by imprisonment in the county jail for not more than six months or by a fine not exceeding one thousand dollars ($1,000), or by both.

(c) Any person who violates this division may be assessed a civil penalty by the department of up to one hundred dollars ($100) per day pursuant to a hearing and notice.

(d) This section shall become operative on January 1, 1993.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to continue the California Beverage Container Recycling and Litter Reduction Act by increasing services provided by recycling centers, and therefore better protecting public health and safety by encouraging the recycling of beverage containers, it is necessary that this act take effect immediately.

CHAPTER 118

An act to amend Sections 22007, 22513, 22706.5, and 23912 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor July 11, 1989. Filed with Secretary of State July 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 22007 of the Education Code is amended to read:

22007. For the purposes of payments into or out of the retirement fund for adjustments of errors or omissions, the period of limitation of actions shall be applied, except as provided in Sections 23708 and 24603, as follows:

(a) No action may be commenced by or against the board or the system three years after all obligations to or on behalf of the member, former member, disabilitant, retirant, or beneficiary have been

discharged.

(b) In the cases where the system makes an error resulting in incorrect payment to a member, disabilitant, retirant, beneficiary, child, or dependent parent, the system's right to commence recovery shall expire three years from the date of payment.

(c) In cases where payment is erroneous due to lack of information or inaccurate information regarding the eligibility of a member, disabilitant, retirant, beneficiary, child, or dependent parent to receive benefits under this part, the period of limitation shall commence with the discovery of the erroneous payment.

(d) Notwithstanding any other provision of this section, where any erroneous payment has been made on the basis of fraud or intentional misrepresentation by a member, disabilitant, retirant, beneficiary, or other party in relation to or on behalf of a member, disabilitant, retirant, or beneficiary, the three-year period of limitation shall not be deemed to commence or to have commenced until the discovery of the error or omissions.

(e) The collection of overpayments under subdivisions (b), (c), and (d) shall be made pursuant to Section 24616.

SEC. 2. Section 22513 of the Education Code is amended to read:

22513. Persons who have not achieved plan vesting shall qualify for eligibility for benefits under this system when total service under both systems equals the minimum required under Sections 23800 and 23804. These persons shall retain vested rights to survivor and disability benefits until they qualify for the similar benefits in the Public Employees' Retirement System.

SEC. 3. Section 22706.5 of the Education Code is amended to read:

22706.5. A member shall receive full credit for time during which the member serves as an elected officer of an employee organization while on a compensated leave of absence pursuant to Section 44987 or 87768.5, if all of the following conditions are met:

(a) The member was employed and performed service in a position requiring membership in this system in the month prior to commencement of the leave of absence.

(b) The member contributes to the Teachers' Retirement Fund the amount that would have been contributed had the member been employed full time.

(c) The member's employing agency contributes to the Teachers' Retirement Fund an amount based upon the salary that would have been paid to the member had the member been employed full time and at a rate specified by the board.

The maximum amount of credit earned by a member for service as an elected officer of an employee organization shall not exceed 12 calendar years.

A member shall not be eligible for disability under this system while on a leave of absence to serve as a full-time elected officer of an employee organization.

SEC. 4. Section 23912 of the Education Code is amended to read:

23912. If the projected final compensation is used to calculate the service retirement allowance following the termination of the disability allowance or if the disability allowance is continued as the smaller of the two allowance calculations under Section 23911 or 24303, then the original disability allowance effective date shall be retained as the base date for purposes of determining postretirement benefit increases.

This section shall be applicable for determining the base date for applicable postretirement increases made on or after January 1, 1982.

This section shall only apply to service retirements effective the day after the termination date of the disability allowance.

CHAPTER 119

An act to amend Section 798.75 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 798.75 of the Civil Code is amended to read:

798.75. (a) An escrow, sale, or transfer agreement involving a mobilehome located in a park at the time of the sale, where the mobilehome is to remain in the park, shall contain a copy of a fully executed rental agreement.

(b) In the event the purchaser fails to execute the rental agreement, the purchaser shall not have any rights of tenancy.

(c) In the event that an occupant of a mobilehome has no rights of tenancy and is not otherwise entitled to occupy the mobilehome pursuant to this chapter, the occupant is considered an unlawful occupant if, after a demand is made for the surrender of the mobilehome park site, for a period of five days, the occupant refuses to surrender the site to the mobilehome park management. In the event the unlawful occupant fails to comply with the demand, the unlawful occupant shall be subject to the proceedings set forth in Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure.

(d) The occupant of the mobilehome shall not be considered an unlawful occupant and shall not be subject to the provisions of subdivision (c) if all of the following conditions are present:

(1) The occupant is the registered owner of the mobilehome.

(2) The management has determined that the occupant has the financial ability to pay the rent and charges of the park; will comply with the rules and regulations of the park, based on the occupant's prior tenancies; and will comply with this article.

(3) The management failed or refused to offer the occupant a rental agreement.

CHAPTER 120

An act to add Section 2891.1 to the Public Utilities Code, relating to telephone corporations.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2891.1 is added to the Public Utilities Code, to read:

2891.1. (a) Notwithstanding Section 2891, a telephone corporation selling or licensing lists of residential subscribers shall not include the telephone number of any subscriber assigned an unlisted or unpublished access number.

(b) A subscriber may waive all or part of the protection provided by this section through written notice to the telephone corporation.

(c) This provision does not apply to the provision of telephone numbers to the following parties for the purposes indicated:

(1) To a collection agency, to the extent disclosures made by the agency are supervised by the commission, exclusively for the collection of unpaid debts.

(2) To an emergency service agency for responding to a 911 call or communicating an imminent threat to life or property.

(3) To a lawful process issued under state or federal law.

(4) To a telephone corporation providing service between service areas for the provision to the subscriber of telephone service between service areas, or to third parties for the limited purpose of providing billing services.

(5) To the commission pursuant to its jurisdiction and control over telephone and telegraph corporations.

(b) Every deliberate violation of this section is grounds for a civil suit by the aggrieved subscriber against the telephone or telegraph corporation and its employees responsible for the violation.

(c) For purposes of this section, "unpublished or unlisted access number" means a telephone, telex, teletex, facsimile, computer modem, or any other code number which is assigned to a subscriber by a telephone or telegraph corporation for the receipt of communications initiated by other telephone or telegraph customers; and which the subscriber has requested that the telephone or telegraph corporation keep in confidence.

CHAPTER 121

An act to amend Section 31452.5 of the Government Code, relating to county retirement systems.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 31452.5 of the Government Code is amended to read:

31452.5. The board may comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the treasurer to deduct a specified amount from the retirement allowance or benefit payable to any retired member or beneficiary of a retired member for the purpose of paying premiums on any policy or certificate of group life insurance or group disability insurance issued by an admitted insurer, for any prepaid group medical or hospital service plan, or both, for any dental plan, approved by the board, for the benefit of the retired member or his or her dependents, for the payment of premiums on national service life insurance or United States government converted insurance, for the purchase of shares in or the payment of money to any regularly chartered credit union, for charitable organizations or federally chartered veterans' organizations as approved by both the board of retirement and the board of supervisors, or for the purchase of United States Savings Bonds, or for the payment of personal income taxes to the government of the United States or of the State of California, and each month shall draw his or her order in favor of the insurer, institution, credit union, or government named in the written authorization for an amount equal to the deductions so authorized and made during the month. The board may charge a reasonable fee for the making of the deductions and payments and the fees shall be deposited in the county fund from which salaries are paid.

CHAPTER 122

An act to add Section 1803.3 to the Vehicle Code, relating to records.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1803.3 is added to the Vehicle Code, to read:

1803.3. (a) The clerk, or judge if there is no clerk, of any court which reverses a conviction for an offense described in subdivision (a) of Section 1803, which is not exempted under subdivision (b) of that section, shall prepare and forward to the department at its office in Sacramento an abstract of the record of the court covering the case in which the conviction was reversed.

(b) The abstract shall be forwarded within 30 days of the date the judgment of reversal becomes final. Within 45 days of the date that judgment becomes final, the department shall include the information in that abstract within any record of the conviction, and thereafter shall include that information in any report or record it makes or furnishes concerning that conviction.

(c) As used in this section, "reverse" includes any action by which a conviction is nullified or set aside.

SEC. 2. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Pursuant to Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the July 1 following the date on which the act takes effect pursuant to the California Constitution.

CHAPTER 123

An act to repeal Section 17305 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17305 of the Government Code is repealed.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to meet state financial obligations as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 124

An act to amend Section 11.50 of the Budget Act of 1988 (Chapter 313 of the Statutes of 1988), relating to flood protection, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1989. Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11.50 of the Budget Act of 1988 (Chapter 313 of the Statutes of 1988) is amended to read:

Sec. 11.50. (a) Notwithstanding any other provision of law, the allocations to the California Water Fund made pursuant to subdivision (b) of Section 6217 of the Public Resources Code shall be in the amount of seven million two hundred thousand dollars ($7,200,000), of which the amount of six million dollars ($6,000,000) is hereby reallocated to the Delta Flood Protection Fund in accordance with subdivision (b) of Section 12300 of the Water Code, for the 1988–89 fiscal year.

(b) Notwithstanding any other provision of law, no allocation to the Central Valley Water Project Construction Fund shall be made pursuant to subdivision (c) of Section 6217 of the Public Resources Code for the 1988–89 fiscal year.

(c) Notwithstanding any other provision of law, no allocation shall be made to the Capital Outlay Fund for Public Higher Education pursuant to subdivision (e) of Section 6217 of the Public Resources Code for the 1988–89 fiscal year.

(d) Notwithstanding any other provision of law, no allocation to the State School Building Lease-Purchase Fund shall be made pursuant to subdivision (f) of Section 6217 of the Public Resources Code for the 1988–89 fiscal year.

(e) Notwithstanding any other provision of law, no allocation to the Energy and Resources Fund shall be made pursuant to subdivision (g) of Section 6217 of the Public Resources Code for the 1988–89 fiscal year.

(f) Notwithstanding any other provision of law, the allocation to

the California Housing Trust Fund made pursuant to subdivision (h) of Section 6217 of the Public Resources Code shall be in the amount of four million dollars ($4,000,000) for the 1988–89 fiscal year.

(g) Notwithstanding any other provision of law, no transfer to the Roberti-Z'berg-Harris Open-Space and Recreation Program Account from the Special Account for Capital Outlay in the General Fund shall be made pursuant to Section 5624.5 of the Public Resources Code for the 1988–89 fiscal year.

(h) Notwithstanding any other provision of law, the allocation to the Fisheries Restoration Account in the Fish and Game Preservation Fund be made pursuant to subdivision (a) of Section 6217.1 of the Public Resources Code shall be in the amount of one million two hundred fifty thousand dollars ($1,250,000) for the 1988–89 fiscal year.

(i) Notwithstanding any other provision of law, the amount of ten million seven hundred nineteen thousand dollars ($10,719,000) shall be allocated to the General Fund for the 1988–89 fiscal year from tidelands oil revenues otherwise subject to Section 6217 of the Public Resources Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that vital repairs to the delta levee systems be commenced at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 125

An act to amend Sections 23113 and 23114 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1989. Filed with Secretary of State July 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 23113 of the Vehicle Code is amended to read:

23113. (a) Any person who drops, dumps, deposits, places, or throws, or causes or permits to be dropped, dumped, deposited, placed, or thrown, upon any highway or street any material described in Section 23112 or in subdivision (d) of Section 23114 shall immediately remove the material or cause the material to be removed.

(b) If the person fails to comply with subdivision (a), the governmental agency responsible for the maintenance of the street

or highway on which the material has been deposited may remove the material and collect, by civil action, if necessary, the actual cost of the removal operation in addition to any other damages authorized by law from the person made responsible under subdivision (a).

(c) A member of the Department of the California Highway Patrol may direct a responsible party to remove the aggregate material described in subdivision (d) of Section 23114 from a highway when that material has escaped or been released from a vehicle.

SEC. 2. Section 23114 of the Vehicle Code is amended to read:

23114. (a) No vehicle shall be driven or moved on any highway unless the vehicle is so constructed, covered, or loaded as to prevent any of its contents or load other than clear water or feathers from live birds from dropping, sifting, leaking, blowing, spilling, or otherwise escaping from the vehicle.

(b) (1) Aggregate material shall only be carried in the cargo area of a vehicle. The cargo area shall not contain any holes, cracks, or openings through which that material may escape, regardless of the degree to which the vehicle is loaded, except as provided in paragraph (2).

(2) Every vehicle used to transport aggregate materials, regardless of the degree to which the vehicle is loaded, shall be equipped with all of the following:

(A) Properly functioning seals on any openings used to empty the load, including, but not limited to, bottom-dump release gates and tailgates.

(B) Splash flaps behind every tire, or set of tires, regardless of position on the truck, truck tractor, or trailer.

(C) Center flaps at a location to the rear of each bottom/dump release gate as to trucks or trailers equipped with bottom/dump release gates. The center flap may be positioned directly behind the bottom/dump release gate and in front of the rear axle of the vehicle, or it may be positioned to the rear of the rear axle in line with the splash flaps required behind the tires. The width of the center flap shall extend not more than one inch from one sidewall to the opposite sidewall of the inside tires and shall extend to within five inches of the pavement surface, and shall be not less than 24 inches from the bottom edge to the top edge of that center flap.

(D) Fenders starting at the splash flap with the leading edge of the fenders extending forward at least six inches beyond the center of the axle which cover the tops of tires not already covered by the truck, truck tractor, or trailer body.

(E) Complete enclosures on all vertical sides of the cargo area, including, but not limited to, tailgates.

(F) Shed boards designed to prevent aggregate materials from being deposited on the vehicle body during top loading.

(c) Vehicles comprised of full rigid enclosures are exempt only from subparagraphs (C) and (F) of paragraph (2) of subdivision (b).

(d) (1) On and after September 1, 1990, in addition to subdivisions (a) and (b), no vehicle shall transport any aggregate material upon a highway unless the material is covered.

(2) Vehicles transporting loads composed entirely of asphalt material are exempt only from the provisions of this section requiring that loads be covered.

(3) Vehicles transporting loads composed entirely of petroleum coke material shall not be required to cover their loads if they are loaded using safety procedures, specialized equipment, and a chemical surfactant designed to prevent materials from blowing, spilling, or otherwise escaping from the vehicle.

(4) Vehicles transporting loads of aggregate materials shall not be required to cover their loads if the load, where it contacts the sides, front, and back of the cargo container area, remains six inches from the upper edge of the container area, and if the load does not extend, at its peak, above any part of the upper edge of the cargo container area.

(5) The requirements of this subdivision shall become operative on September 1, 1990.

(d) For purposes of this section, "aggregate material" means rock fragments, pebbles, sand, dirt, gravel, cobbles, crushed base, asphalt, and other similar materials.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effectuate the reduction of windshield breakage on the highways at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 126

An act to amend Sections 40509 and 40509.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 40509 of the Vehicle Code is amended to read:

40509. (a) Whenever any person has for a period of 15 or more days violated his or her written promise to appear or a lawfully granted continuance of his or her promise to appear in court or before the person authorized to receive a deposit of bail or violated an order to appear in court, the magistrate or clerk of the court may give notice of the fact to the department for any violation of this code, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), (7), and (8) of subdivision (b) of Section 1803. The notice shall be given within 60 days of the failure to appear. Whenever thereafter the case in which the promise was given is adjudicated or the person who has violated the court order appears in court or otherwise satisfies the order of the court, the magistrate or clerk of the court hearing the case shall sign and file with the department a certificate to that effect.

(b) Whenever any person has for a period of 15 or more days willfully failed to pay a lawfully imposed fine within the time authorized by the court or to pay a fine pursuant to subdivision (a) of Section 42003, the magistrate or clerk of the court may give notice of the fact to the department for any violation, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), (7), and (8) of subdivision (b) of Section 1803. Whenever thereafter the fine is fully paid, the magistrate or clerk of the court shall issue and file with the department a certificate showing that the fine has been paid.

(c) This section is applicable to any court which has not elected to be subject to the notice requirements of subdivision (b) of Section 40509.5.

(d) Any violation subject to Section 40001, which is the responsibility of the owner of the vehicle, shall not be reported under this section.

SEC. 2. Section 40509.5 of the Vehicle Code is amended to read:

40509.5. (a) Whenever, with respect to an offense described in subdivision (c), any person has for a period of 15 or more days violated his or her written promise to appear or a lawfully granted continuance of his or her promise to appear in court or before the person authorized to receive a deposit of bail or violated an order to appear in court, the magistrate or clerk of the court may give notice

of the fact to the department for any violation of this code, except violations not required to be reported pursuant to paragraphs (1), (2), (3), (6), (7), and (8) of subdivision (b) of Section 1803. The notice shall be given within 60 days of the failure to appear. Whenever thereafter the case in which the promise was given is adjudicated or the person who has violated the court order appears in court or otherwise satisfies the order of the court, the magistrate or clerk of the court hearing the case shall sign and file with the department a certificate to that effect.

(b) The court shall mail a courtesy warning notice to the defendant by first-class mail at the address shown on the notice to appear, at least 10 days before sending a notice to the department under this section.

(c) If the court notifies the department of a failure to appear pursuant to this section, no arrest warrant shall be issued for an alleged violation of subdivision (a) of Section 40508 or of a court order issued pursuant to subdivision (a) of Section 42003, unless one of the following criteria are met:

(1) The alleged underlying offense is a misdemeanor or felony.

(2) The alleged underlying offense is a violation of any provision of Division 12 (commencing with Section 24000), Division 13 (commencing with Section 29000), or Division 15 (commencing with Section 35000), required to be reported pursuant to Section 1803.

(3) The driver record does not show that the defendant has a valid California driver's license.

(4) The driver record shows an unresolved charge that the defendant is in violation of his or her written promise to appear for one or more other alleged violations of the law.

(d) This section is applicable to courts which have elected to provide notice pursuant to subdivision (b). The method of commencing or terminating an election to proceed under this section shall be prescribed by the department.

(e) Any violation subject to Section 40001, which is the responsibility of the owner of the vehicle, shall not be reported under this section.

CHAPTER 127

An act to amend Section 4025 of the Penal Code, relating to correctional facilities.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4025 of the Penal Code is amended to read:

4025. (a) The sheriff of each county may establish, maintain and

operate a store in connection with the county jail and for this purpose may purchase confectionery, tobacco and tobacco users' supplies, postage and writing materials, and toilet articles and supplies and to sell these goods, articles, and supplies for cash to inmates in the jail.

(b) The sale prices of the articles offered for sale at the store shall be fixed by the sheriff. Any profit shall be deposited in an inmate welfare fund to be kept in the treasury of the county.

(c) There shall also be deposited in the inmate welfare fund 10 percent of all gross sales of inmate hobbycraft.

(d) There shall be deposited in the inmate welfare fund any money, refund, rebate, or commission received from a telephone company or pay telephone provider when the money, refund, rebate, or commission is attributable to the use of pay telephones which are primarily used by inmates while incarcerated.

(e) The money and property deposited in the inmate welfare fund shall be expended by the sheriff solely for the benefit, education, and welfare of the inmates confined within the jail. An itemized report of these expenditures shall be submitted annually to the board of supervisors.

(f) The operation of a store within any other county adult detention facility which is not under the jurisdiction of the sheriff shall be governed by the provisions of this section, except that the board of supervisors shall designate the proper county official to exercise the duties otherwise allocated in this section to the sheriff.

(g) The operation of a store within any city adult detention facility shall be governed by the provisions of this section, except that city officials shall assume the respective duties otherwise outlined in this section for county officials.

(h) The treasurer may, pursuant to Article 1 (commencing with Section 53600), or Article 2 (commencing with Section 53630), of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, deposit, invest, or reinvest any part of the inmate welfare fund, in excess of that which the treasurer deems necessary for immediate use. The interest or increment accruing on these funds shall be deposited in the inmate welfare fund.

(i) The sheriff may expend money from the inmate welfare fund to provide indigent inmates, prior to release from the county jail or any other adult detention facility under the jurisdiction of the sheriff, with essential clothing and transportation expenses within the county or, at the discretion of the sheriff, transportation to the inmate's county of residence, if the county is within the state or 500 miles from the county of incarceration. This subdivision does not authorize expenditure of money from the inmate welfare fund for the transfer of any inmate to the custody of any other law enforcement official or jurisdiction.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant

to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 128

An act to amend Section 53340 of the Government Code, relating to community facilities districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 53340 of the Government Code is amended to read:

53340. After a community facilities district has been created and authorized to levy specified special taxes pursuant to Article 2 (commencing with Section 53318), Article 3 (commencing with Section 53330), or Article 3.5 (commencing with Section 53339), the legislative body may, by ordinance, levy the special taxes at the rate and apportion them in the manner specified in the resolution adopted pursuant to Article 2 (commencing with Section 53318), Article 3 (commencing with Section 53330), or Article 3.5 (commencing with Section 53339), except that the legislative body may levy the special tax at a lower rate. For any tax year, the legislative body may, by resolution, levy the special tax at the same rate or at a lower rate than the rate provided by ordinance, if the resolution is adopted and a certified copy of the resolution and a list of all parcels subject to the special tax levy with the tax to be levied on each parcel, is filed by the clerk of the legislative body with the county auditor on or before the 10th day of August of that tax year. The clerk of the legislative body may file the certified copy of the resolution and the lists after the 10th of August but not later than the 21st if the clerk obtains prior written consent of the county auditor. Properties or entities of the state, federal, or other local governments shall, except as otherwise provided in Section 53317.3, be exempt from the special tax. No other properties or entities are exempt from the special tax unless the properties or entities are expressly exempted in the resolution of formation to establish a district adopted pursuant to Section 53325.1 or in a resolution of consideration to levy a new special tax or special taxes or to alter the

rate or method of apportionment of an existing special tax as provided in Section 53334. The proceeds of any special tax may only be used to pay, in whole or part, the cost of providing public facilities, services, and incidental expenses pursuant to this chapter. The special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes, unless another procedure has been authorized in the resolution of formation establishing the district and adopted by the legislative body. The tax collector may collect the special tax at intervals as specified in the resolution of formation, including intervals different from the intervals at which the ordinary ad valorem property taxes are collected. The tax collector may deduct the reasonable administrative costs incurred in collecting the special tax.

All special taxes levied by a community facilities district shall be secured by the lien imposed pursuant to Section 3115.5 of the Streets and Highways Code. This lien shall be a continuing lien and shall secure each levy of special taxes. The lien of the special tax shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with Section 53344 or until the special tax ceases to be levied by the legislative body in the manner provided in Section 53330.5.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To provide local legislative bodies and community facilities districts with additional time with which to coordinate their overlapping taxing duties, it is necessary that this act takes effect immediately.

CHAPTER 129

An act to amend Section 53299 of the Government Code, relating to public employees.

[Approved by Governor July 12, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 53299 of the Government Code is amended to read:

53299. In order for the Governor and the Legislature to determine the need to continue or modify local agency personnel procedures as they relate to disclosure of information by public employees, the League of California Cities in consultation with the County Supervisors Association of California, may submit on June 30, 1987, and annually thereafter, a report to the Governor and the Legislature regarding complaints filed, hearings held, and legal actions taken pursuant to this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 130

An act to add Section 20610 to the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 12, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 20610 is added to the Food and Agricultural Code, to read:

20610. (a) The owner of cattle brought into this state from out of state for grazing purposes may apply to the director for a permit to allow the branding of the cattle with a brand recorded in another state. The director may issue a permit for this purpose under all of the following conditions:

(1) The owner of an identical brand recorded for use in this state has been notified and has given written consent for the use of the brand.

(2) The brand is limited to use on suckling calves which are accompanied by their mothers bearing the same brand.

(3) The herd is inspected by the bureau prior to branding.

(b) The director may charge a fee for inspection as provided in Article 9 (commencing with Section 21281) of Chapter 6, including a time and mileage charge, to cover the cost of providing the inspection.

(c) The director may establish and charge a fee to cover the cost of issuing the permit authorized by this section. The fee for the permit shall not exceed one hundred dollars ($100).

(d) This section is applicable only to those cattle brought into this state from a state which has implemented a reciprocal program for cattle from this state.

CHAPTER 131

An act to add Section 3964.5 to the Food and Agricultural Code, relating to district agricultural associations.

[Approved by Governor July 12, 1989 Filed with Secretary of State July 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3964.5 is added to the Food and Agricultural Code, to read:

3964.5. (a) Notwithstanding any other law, a board may form any advisory committee by resolution or any similar formal action.

(b) Meetings of an advisory committee shall be open and public and notice thereof shall be delivered personally or by mail at least 24 hours before the time of the meeting to each person who has requested, in writing, notice of the meeting.

(c) If the advisory committee elects to provide for the holding of regular meetings, it shall provide in its bylaws, or by whatever other rule is utilized by the board for the conduct of its business, for the time and place for holding regular meetings. No other notice of regular meetings is required.

(d) "Advisory committee", as used in this section, means a committee composed solely of the members of the board which is less than a quorum of the board.

CHAPTER 132

An act to amend Sections 69907, 73642, 73952, 74342, 74742, and 77208 of the Government Code, relating to judges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1989 Filed with Secretary of State July 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 69907 of the Government Code is amended to read:

69907. (a) In the County of San Diego, in addition to any other compensation and benefits, each judge of the superior court shall receive the same life insurance, accidental death and dismemberment insurance, comprehensive annual physical examinations, executive flexible benefits plan (except that if deferred compensation is selected, no adjustment based on retirement tier shall apply), and dental and vision insurance as provided by the County of San Diego for the classification of chief administrative officer. Changes in these benefits shall be effective on the same date as for those for the classification of chief administrative officer.

(b) Subject to approval by the board of supervisors, each judge of the superior court shall receive one or both of the following benefits, to the same extent as provided by the County of San Diego for the classification of chief administrative officer: long-term disability insurance or percent of retirement contribution offset.

SEC. 2. Section 73642 of the Government Code is amended to read:

73642. (a) In addition to any other compensation and benefits, each judge of the municipal court shall receive the same life insurance, accidental death and dismemberment insurance, comprehensive annual physical examinations, executive flexible benefits plan (except that if deferred compensation is selected, no adjustment based on retirement tier shall apply), and dental and vision insurance as provided by the County of San Diego for the classification of chief administrative officer. Changes in these benefits shall be effective on the same date as those for the classification of chief administrative officer.

(b) Subject to approval by the board of supervisors, each judge of the municipal court shall receive one or more of the following benefits: the same long-term disability insurance or percent of retirement contribution offset as provided by the County of San Diego for the classification of chief administrative officer or retiree health benefits whereby each judge of the municipal court serving on or after October 1, 1987, who retires from the municipal court on or after January 1, 1989, shall receive the same amount of insurance

premium for retiree health benefits under the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22751) of Title 2) that the state provides to retired superior court judges under that act.

SEC. 3. Section 73952 of the Government Code is amended to read:

73952. (a) In addition to any other compensation and benefits, each judge of the municipal court shall receive the same life insurance, accidental death and dismemberment insurance, comprehensive annual physical examinations, executive flexible benefits plan (except that if deferred compensation is selected, no adjustment based on retirement tier shall apply), and dental and vision insurance as provided by the County of San Diego for the classification of chief administrative officer. Changes in these benefits shall be effective on the same date as for those for the classification of chief administrative officer.

(b) Subject to approval by the board of supervisors, each judge of the municipal court shall receive one or more of the following benefits: the same long-term disability insurance or percent of retirement contribution offset as provided by the County of San Diego for the classification of chief administrative officer or retiree health benefits whereby each judge of the municipal court serving on or after October 1, 1987, who retires from the municipal court on or after January 1, 1989, shall receive the same amount of insurance premium for retiree health benefits under the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22751) of Title 2) that the state provides to retired superior court judges under that act.

SEC. 4. Section 74342 of the Government Code is amended to read:

74342. (a) In addition to any other compensation and benefits, each judge of the municipal court shall receive the same life insurance, accidental death and dismemberment insurance, comprehensive annual physical examinations, executive flexible benefits plan (except that if deferred compensation is selected, no adjustment based on retirement tier shall apply), and dental and vision insurance as provided by the County of San Diego for the classification of chief administrative officer. Changes in these benefits shall be effective on the same date as for those for the classification of chief administrative officer.

(b) Subject to approval by the board of supervisors, each judge of the municipal court shall receive one or more of the following benefits: the same long-term disability insurance or percent of retirement contribution offset as provided by the County of San Diego for the classification of chief administrative officer or retiree health benefits whereby each judge of the municipal court serving on or after October 1, 1987, who retires from the municipal court on or after January 1, 1989, shall receive the same amount of insurance premium for retiree health benefits under the Public Employees'

Medical and Hospital Care Act (Part 5 (commencing with Section 22751) of Title 2) that the state provides to retired superior court judges under that act.

SEC. 5. Section 74742 of the Government Code is amended to read:

74742. (a) In addition to any other compensation and benefits, each judge of the municipal court shall receive the same life insurance, accidental death and dismemberment insurance, comprehensive annual physical examinations, executive flexible benefits plan (except that if deferred compensation is selected, no adjustment based on retirement tier shall apply), and dental and vision insurance as provided by the County of San Diego for the classification of chief administrative officer. Changes in such benefits shall be effective on the same date as for those for the classification of chief administrative officer.

(b) Subject to approval by the board of supervisors, each judge of the municipal court shall receive one or more of the following benefits: the same long-term disability insurance or percent of retirement contribution offset as provided by the County of San Diego for the classification of chief administrative officer or retiree health benefits whereby each judge of the municipal court serving on or after October 1, 1987, who retires from the municipal court on or after January 1, 1989, shall receive the same amount of insurance premium for retiree health benefits under the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22751) of Title 2) that the state provides to retired superior court judges under that act.

SEC. 6. Section 77208 of the Government Code is amended to read.

77208. Except as provided in Sections 73642, 73952, 74342, and 74742 with respect to San Diego County, the board of supervisors of an option county may, at county cost, provide municipal court judges serving in any municipal court in the county on or after October 1, 1987, with retiree health benefits substantially equal to the retiree health benefits provided to superior court judges.

SEC. 7. Regardless of the effective date of this act, it is the intent of the Legislature that benefits granted pursuant to this act shall accrue as of the date of approval of those benefits by the San Diego County Board of Supervisors.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Trial Court Funding Agreement between the County of San Diego and the courts may be implemented as quickly as possible to provide valuable service to the citizens of the County of San Diego and the expedient administration of justice, it is necessary for this act to take effect immediately.

CHAPTER 133

An act to amend Section 66491 of the Government Code, relating to subdivisions.

[Approved by Governor July 13, 1989 Filed with Secretary of State July 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 66491 of the Government Code is amended to read:

66491. With respect to the soils report, a local ordinance may provide that:

(a) The preliminary soils report may be waived if the local agency shall determine that, due to the knowledge it has as to the soils qualities of the soils of the subdivision, no preliminary analysis is necessary.

(b) If the preliminary soils report indicates the presence of critically expansive soils or other soils problems which, if not corrected, would lead to structural defects, a soils investigation of each lot in the subdivision may be required.

(1) The soils investigation shall be done by a civil engineer registered in this state, who shall recommend the corrective action which is likely to prevent structural damage to each structure proposed to be constructed in the area where the soils problem exists.

(2) The local agency may approve the subdivision or portion thereof where these soils problems exist if it determines that the recommended action is likely to prevent structural damage to each structure to be constructed, and as a condition to the issuance of any building permit may require that the approved recommended action be incorporated in the construction of each structure.

(c) The preliminary soils report may be submitted to the city engineer or county engineer for review. The city engineer or county engineer may review the preliminary soils report and may require additional information or reject the report if it is found to be incomplete, inaccurate, or unsatisfactory.

CHAPTER 134

An act to add Section 25503.26 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 13, 1989 Filed with Secretary of State July 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25503.26 is added to the Business and Professions Code, to read:

25503.26. (a) Notwithstanding any other provision of this chapter, the holder of a beer manufacturer's or winegrower's license may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, or is the lessee, or is a wholly owned subsidiary of the lessee, of an arena with a fixed seating capacity in excess of 10,000 seats, at least 60 percent of the use of which is for horseracing events, and which is located within a county of the first class, as defined in Section 28022 of the Government Code.

(2) The advertising space or time is purchased only in connection with events to be held on the premises of the arena owned or leased by the on-sale licensee.

(3) The on-sale licensee serves other brands of beer or wine in addition to the brand manufactured by the beer manufacturer or produced by the winegrower purchasing the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the holder of the beer manufacturer's or winegrower's license and the on-sale licensee.

(c) Any holder of a beer manufacturer's license or winegrower's license who, through coercion or other illegal means, induces a holder of a beer or wine wholesaler's license to fulfill the contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract plus ten thousand dollars ($10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless

otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 135

An act to amend, repeal, and add Section 35271 of the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1989 Filed with Secretary of State July 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 35271 of the Education Code is amended to read:

35271. (a) The governing board of any school district may acquire property, construct buildings, and maintain classes outside its boundaries on any site that either is immediately adjacent to a schoolsite of the district located within its boundaries or is acquired from an adjacent school district.

(b) This section shall remain in effect only until June 30, 1993, and as of that date is repealed.

SEC. 2. Section 35271 is added to the Education Code, to read:

35271. (a) The governing board of any school district may acquire property, construct buildings, and maintain classes outside its boundaries on sites immediately adjacent to school sites of the district within its boundaries.

(b) This section shall become operative June 30, 1993.

SEC. 3. The Legislature finds and declares as follows:

(a) The Cutler-Orosi Unified School District is located primarily within Tulare County, although a portion of the district, representing approximately 7 percent of the registered voters of the district, is located within Fresno County.

(b) On November 30, 1988, the governing board of the Cutler-Orosi Unified School District adopted a resolution to consolidate the governing board election for that district, which was originally scheduled to occur November 7, 1989, with the statewide general election, commencing with the general election of November 6, 1990.

(c) The governing board of the Cutler-Orosi Unified School District submitted that resolution to the Board of Supervisors of Tulare County, that board of supervisors approved the resolution, and the registered voters of the school district were notified accordingly, in compliance with the requirements set forth in Section 5000.5 of the Education Code. However, through inadvertence, the resolution was not submitted for approval to the

Board of Supervisors of Fresno County, and insufficient time now remains, prior to the originally scheduled November 7, 1989, governing board election, for that approval process to occur.

(d) Under the circumstances set forth above, the waiver provided under Section 4 of this act is necessary in order to further the objectives of Section 5000.5 of the Education Code, namely, to facilitate the consolidation of elections in order to increase voter participation and to reduce local election costs. Moreover, the Fresno County Board of Supervisors is aware of the circumstances set forth above, and consents to the proposal to waive the requirement that the resolution to consolidate elections, as described above, be submitted for its approval.

SEC. 4. Notwithstanding Section 5000.5 of the Education Code, the resolution described in Section 3 of this act, which was adopted by the governing board of Cutler-Orosi Unified School District to postpone the governing board election of November 7, 1989, for that district, for the purpose of consolidation with the statewide general election, commencing on November 6, 1990, shall not be required to be submitted to, or approved by, the Board of Supervisors of Fresno County as a condition of that consolidation.

SEC. 5. Due to the unique circumstances specified in Section 3 of this act concerning the Cutler-Orosi Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit school district governing boards to adequately meet school facilities needs commencing in the 1989–90 school year, and to enable the Cutler-Orosi Unified School District to postpone its governing board election of November 7, 1989, for purposes of consolidation with the statewide general election of November 6, 1990, it is necessary that this act take effect immediately.

CHAPTER 136

An act to amend Sections 32320, 72252, and 72252.1 of, and the heading of Article 3 (commencing with Section 32320) of Chapter 3 of Part 19 of, the Education Code, relating to education.

[Approved by Governor July 13, 1989 Filed with Secretary of State July 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. The heading of Article 3 (commencing with Section 32320) of Chapter 3 of Part 19 of the Education Code is amended to read:

Article 3. Tuition and Fee Exemptions

SEC. 2. Section 32320 of the Education Code is amended to read:

32320. No state-owned college, university, or other school shall charge any tuition, or incidental fees to any of the following:

(a) Any dependent receiving assistance under Article 2 (commencing with Section 890) of Chapter 4 of Division 4 of the Military and Veterans Code.

(b) Any child of any veteran of the United States military service who has a service-connected disability, and whose annual income not including governmental compensation for the service-connected disability, does not exceed five thousand dollars ($5,000).

(c) Any child of any veteran who has been killed in service or has died of a service-connected disability, where the annual income of the child, including the value of any support received from a parent, and the annual income of a surviving parent, does not exceed five thousand dollars ($5,000).

(d) Any dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty, and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, means a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

Nothing contained in this section shall prevent the Regents of the University of California from charging to and collecting from nonresident students an admission fee and rate of tuition nor shall anything in this section prevent the charging and collecting of fees required of nonresident students admitted to schools under the jurisdiction of the State Department of Education or the Director of Education or to a state university under the jurisdiction of the Trustees of the California State University.

This section shall not apply to a dependent of a veteran within the meaning of paragraph (4) of subdivision (a) of Section 890 of the Military and Veterans Code.

SEC. 3. Section 72252 of the Education Code is amended to read:

72252. (a) Commencing with the semester, term, or quarter that begins after January 1, 1988, the governing board of each community college district shall charge each student a fee, pursuant to this section.

(b) The fee prescribed by this section shall be five dollars ($5) per

unit per semester up to a maximum of fifty dollars ($50) per semester.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system or other alternative system approved pursuant to Section 78002, and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts, 98 percent of the revenues received by districts from charging a fee pursuant to this section or from fees defrayed pursuant to subdivision (f) shall be deemed to be local property tax revenue within the meaning of subdivision (b) of Section 84700.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement shall not apply to students enrolled in the noncredit courses designated by Section 84711, or to California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be defrayed pursuant to Section 72252.1 for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program.

(h) The fee requirements of this section shall be defrayed pursuant to Section 72252.1 for any student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, means a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) Student financial aid funds appropriated for the purpose of assisting students to pay the fee required by this section may be awarded without regard to the requirements of Chapter 2 (commencing with Section 69500) of Part 42.

(j) The board of governors shall adopt regulations implementing this section as regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(k) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1992, deletes or extends that date.

SEC. 4. Section 72252.1 of the Education Code is amended to read:

72252.1. (a) It is the intent of the Legislature to provide adequate funding for the purpose of providing financial aid funds directly to low-income students who cannot pay the fee specified in subdivision (b) of Section 72252 and for the purpose of defraying fees pursuant to subdivisions (g) and (h) of Section 72252, to be provided as follows:

Period	Amount
July 1, 1988, to June 30, 1989	$15,000,000
July 1, 1989, to June 30, 1990	15,000,000
July 1, 1990, to June 30, 1991	15,000,000
July 1, 1991, to January 1, 1992	7,500,000

(b) It is the intent of the Legislature that all funds provided pursuant to subdivision (a) be allocated to community college districts. In prescribing the manner of allocation, the board shall endeavor to ensure that students with similar characteristics shall be treated similarly with respect to the provision of financial aid pursuant to this section, regardless of the community college they attend.

In allocating funds pursuant to this section, the board shall consider the number of students eligible for assistance in the prior academic year and other factors that may have bearing on the amount of these funds required by each community college district.

The board may allocate up to 7 percent of the total amount of funds provided pursuant to subdivision (a) to community college districts for delivery of student financial aid services required as a result of this section. Funds so allocated to a district for delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1983–84 fiscal year, adjusted annually in accordance with the cost-of-living adjustment to the general apportionments.

The board shall be provided adequate resources through the annual Budget Act to support state administration of this financial aid program.

(c) Financial aid shall be provided pursuant to this section only to those students required to pay the fee specified in Section 72252, and only in an amount equal to the fee actually charged the student pursuant to that section. In addition, the chancellor shall pay districts

the amount of fees defrayed pursuant to subdivisions (g) and (h) of Section 72252.

(d) Districts that receive an allocation of funds pursuant to this section shall administer and award the funds in accordance with regulations adopted by the board of governors.

(e) If the amount of funds provided pursuant to subdivision (a) exceeds the need for financial aid to students who cannot afford to pay the fee charged pursuant to Section 72252, the excess shall revert to the General Fund.

(f) If the amount needed for financial aid to students who cannot afford the fee charged pursuant to Section 72252 and to pay districts for the total amount of fees defrayed pursuant to subdivisions (g) and (h) of Section 72252 is greater than the amount of funds provided pursuant to subdivision (a), the chancellor shall certify to the Department of Finance the amount of the additional funds that are required. Upon receipt of this certification, the Director of Finance shall take any administrative action available to him or her to transfer the additional funds, pursuant to the Budget Act or as otherwise provided by the Legislature.

(g) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 5. No provision of this act shall apply to the University of California unless the Regents of the University of California, by resolution, makes that provision applicable.

SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution

CHAPTER 137

An act to amend Sections 304 and 362.4 of the Welfare and Institutions Code, relating to minors.

[Approved by Governor July 13, 1989 Filed with Secretary of State July 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 304 of the Welfare and Institutions Code is amended to read:

304. When a minor has been adjudged a dependent child of the juvenile court pursuant to subdivision (c) of Section 360, no other division of any superior court may hear proceedings pursuant to Section 4600 of the Civil Code regarding the custody of the minor. While the minor is a dependent child of the court all issues regarding his or her custody shall be heard by the juvenile court. In deciding issues between the parents or between a parent and a guardian regarding custody of a minor who has been adjudicated a dependent of the juvenile court, the juvenile court may review any records that would be available to the domestic relations division of a superior court hearing such a matter. The juvenile court, on its own motion, may issue an order directed to either of the parents enjoining any action specified in paragraph (2) or (3) of subdivision (a) of Section 4359 of the Civil Code. The Judicial Council shall adopt forms for these restraining orders. These form orders shall not be confidential and shall be enforceable in the same manner as any other order issued pursuant to Section 4359 of the Civil Code.

This section shall not be construed to divest the domestic relations division of a superior court from hearing any issues regarding the custody of a minor when that minor is no longer a dependent of the juvenile court.

SEC. 2. Section 362.4 of the Welfare and Institutions Code is amended to read:

362.4. When the juvenile court terminates its jurisdiction over a minor who has been adjudged a dependent child of the juvenile court prior to the minor's attainment of the age of 18 years, and proceedings for the declaration of the nullity or dissolution of the marriage, or for legal separation, of the minor's parents, or proceedings to establish the paternity of the minor child brought under the Uniform Parentage Act (Part 7 (commencing with Section 7000) of Division 4 of the Civil Code), are pending in the superior court of any county, or an order has been entered with regard to the custody of that minor, the juvenile court on its own motion, may issue an order directed to either of the parents enjoining any action specified in paragraph (2) or (3) of subdivision (a) of Section 4359 of the Civil Code or determining the custody of, or visitation with, the child.

Any order issued pursuant to this section shall continue until modified or terminated by a subsequent order of the superior court. The order of the juvenile court shall be filed in the proceeding for nullity, dissolution, or legal separation, or in the proceeding to establish paternity, at the time the juvenile court terminates its jurisdiction over the minor, and shall become a part thereof.

If no action is filed or pending relating to the custody of the minor in the superior court of any county, the juvenile court order may be used as the sole basis for opening a file in the superior court of the county in which the parent, who has been given custody, resides. The court may direct the parent or the clerk of the juvenile court to transmit the order to the clerk of the superior court of the county in which the order is to be filed. The clerk of the superior court shall, immediately upon receipt, open a file, without a filing fee, and assign a case number.

The clerk of the superior court shall, upon the filing of any juvenile court custody order, send by first-class mail a copy of the order with the case number to the juvenile court and to the parents at the address listed on the order.

The Judicial Council shall adopt forms for any custody or restraining order issued under this section. These form orders shall not be confidential.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 138

An act to add Chapter 2.1 (commencing with Section 1694) and Chapter 2.2 (commencing with Section 1694.5) to Title 5 of Part 2 of Division 3 of, the Civil Code, relating to contracts.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.1 (commencing with Section 1694) is added to Title 5 of Part 2 of Division 3 of the Civil Code, to read:

CHAPTER 2.1 DATING SERVICE CONTRACTS

1694. As used in this chapter, a dating service contract is any contract with any organization that offers dating, matrimonial, or social referral services by any of the following means:

(a) An exchange of names, telephone numbers, addresses, and statistics.

(b) A photograph or video selection process.

(c) Personal introductions provided by the organization at its place of business.

(d) A social environment provided by the organization intended primarily as an alternative to other singles' bars or club-type environments.

1694.1. (a) In addition to any other right to revoke an offer, the buyer has the right to cancel a dating service contract or offer, until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase those services.

(b) Cancellation occurs when the buyer gives written notice of cancellation by certified mail or telegram to the seller at the address specified in the agreement or offer.

(c) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(d) Notice of cancellation given by the buyer need not take the particular form as provided in the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the dating service contract.

(e) All moneys paid pursuant to any contract for dating services shall be refunded within 10 days of receipt of the notice of cancellation, except that payment shall be made for any services covered by the contract and received by the buyer prior to cancellation.

(f) The buyer may notify the dating service of his or her intent to cancel the contract within the three-day period specified in this section and stop the processing of a credit card voucher or check by telephone notification to the dating service. However, this does not negate the obligation of the buyer to cancel the contract by certified mail or telegram as required pursuant to this section.

1694.2. (a) A dating service contract shall be in writing. A copy of the contract shall be provided to the buyer at the time he or she signs the contract.

(b) Every dating service contract shall contain on its face, and in close proximity to the space reserved for the signature of the buyer, a conspicuous statement in a size equal to at least 10-point boldface type, as follows:

"You, the buyer, may cancel this agreement at any time prior to midnight of the original contract seller's third business day following the date of this contract, excluding Sundays and holidays. To cancel this agreement, mail or deliver a signed and dated notice, or send a telegram which states that you, the buyer, are canceling this

agreement, or words of similar effect. This notice shall be sent to:

(Name of the business that sold you the contract)

(Address of the business that sold you the contract)."

(c) The dating service contract shall contain on the first page, in a type size no smaller than that generally used in the body of the document, the name and address of the dating service operator to which the notice of cancellation is to be mailed; and the date the buyer signed the contract.

(d) No dating service contract shall require payments or financing by the buyer over a period in excess of two years from the date the contract is entered into, nor shall the term of any such contract be measured by the life of the buyer. However, the services to be rendered to the buyer under the contract may extend over a period beginning within six months and ending within three years of the date the contract is entered into.

(e) If a dating service contract is not in compliance with this chapter, the buyer may, at any time, cancel the contract.

1694.3. Every dating service contract shall contain language providing that:

(a) If by reason of death or disability the buyer is unable to receive all services for which the buyer has contracted, the buyer and the buyer's estate may elect to be relieved of the obligation to make payments for services other than those received before death or the onset of disability, except as provided in paragraph (3).

(1) If the buyer has prepaid any amount for services, so much of the amount prepaid that is allocable to services that the buyer has not received shall be promptly refunded to the buyer or his or her representative.

(2) "Disability" means a condition which precludes the buyer from physically using the services specified in the contract during the term of disability and the condition is verified in writing by a physician designated and remunerated by the buyer. The written verification of the physician shall be presented to the seller.

(3) If the physician determines that the duration of the disability will be less than six months, the seller may extend the term of the contract for a period of six months at no additional charge to the buyer in lieu of cancellation.

(b) If the buyer relocates his or her primary residence further than 50 miles from the dating service office and is unable to transfer the contract to a comparable facility, the buyer may elect to be relieved of the obligation to make payment for services other than those received prior to that relocation, and if the buyer has prepaid any amount for dating services, so much of the amount prepaid that is allocable to services that the buyer has not received shall be promptly refunded to the buyer. A buyer who elects to be relieved of further obligation pursuant to this subdivision may be charged a

predetermined fee not to exceed one hundred dollars ($100) or, if more than half the life of the contract has expired, a predetermined fee not to exceed fifty dollars ($50).

1694.4. (a) Any contract for dating services which does not comply with this chapter is void and unenforceable.

(b) Any contract for dating services entered into under willful and fraudulent or misleading information or advertisements of the seller is void and unenforceable.

(c) Any buyer injured by a violation of this chapter may bring an action for the recovery of damages in a court of competent jurisdiction. Judgment may be entered for three times the amount at which the actual damages are assessed. Reasonable attorney fees may be awarded to the prevailing party.

(d) Notwithstanding the provisions of any contract to the contrary, whenever the contract price is payable in installments and the buyer is relieved from making further payments or entitled to a refund under this chapter, the buyer shall be entitled to receive a refund or refund credit of that portion of the cash price as is allocable to the services not actually received by the buyer. The refund of any finance charge shall be computed according to the "sum of the balance method," also known as the "Rule of 78."

(e) Any waiver by the buyer of this chapter is void and unenforceable.

SEC. 2. Chapter 2.2 (commencing with Section 1694.5) is added to Title 5 of Part 2 of Division 3 of the Civil Code, to read:

CHAPTER 2.2. WEIGHT LOSS CONTRACTS

1694.5. (a) As used in this chapter, a weight loss contract is a contract with any weight loss program or center that offers any of the following:

(1) Instruction, counseling, supervision, or assistance in weight reduction, body shaping, diet, and eating habits, by persons who are not licensed health care professionals.

(2) Use of facilities of a weight loss center for any of the purposes specified in paragraph (1).

(3) Membership in any group, club, association, or organization formed for any of the purposes specified in paragraph (1).

(4) Prepackaged, or premeasured "diet foods" provided by the weight loss program or center.

(b) This chapter does not apply to any contract for health studio services as defined in Section 1812.81.

1694.6. (a) In addition to any other right to revoke an offer, the buyer has the right to cancel a weight loss contract or offer until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase those services.

(b) Cancellation occurs when the buyer gives written notice of cancellation by certified mail or telegram to the seller at the address specified in the agreement or offer.

(c) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(d) Notice of cancellation given by the buyer need not take the particular form as provided in the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the weight loss contract.

(e) All moneys paid pursuant to any weight loss contract shall be refunded within 10 days of receipt of the notice of cancellation, except that payment shall be made for any services covered by the contract and received by the buyer prior to cancellation.

(f) The buyer may notify the weight loss program of his or her intent to cancel the contract within the three-day period specified in this section and stop the processing of a credit card voucher or check by telephone notification to the weight loss program. However, this does not negate the obligation of the buyer to cancel the contract by certified mail or telegram as required pursuant to this section.

1694.7. (a) A weight loss contract shall be in writing. A copy of the contract shall be provided to the buyer at the time he or she signs the contract.

(b) Every weight loss contract shall contain on its face, and in close proximity to the space reserved for the signature of the buyer, a conspicuous statement in a size equal to at least 10-point boldface type, as follows:

"You, the buyer, may cancel this agreement at any time prior to midnight of the original contract seller's third business day following the date of this contract, excluding Sundays and holidays. To cancel this agreement, mail or deliver a signed and dated notice, or send a telegram which states that you, the buyer, are canceling this agreement, or words of similar effect. This notice shall be sent to:

_____

(Name of the business that sold you the contract)

_____."

(Address of the business that sold you the contract)

(c) The weight loss contract shall contain on the first page, in a type size no smaller than that generally used in the body of the document, the name and address of the weight loss program operator to which the notice of cancellation is to be mailed; and the date the buyer signed the contract.

(d) No weight loss contract shall require payments or financing by the buyer over a period in excess of two years from the date the contract is entered into, nor shall the term of any such contract be measured by the life of the buyer. The services to be rendered to the buyer under the contract shall not extend for more than three years after the date the contract is entered into.

(e) If a weight loss contract is not in compliance with this chapter, the buyer may, at any time, cancel the contract.

1694.8. Every weight loss contract shall contain language

providing that:

(a) If by reason of death or disability the buyer is unable to receive all services for which the buyer has contracted, the buyer and the buyer's estate may elect to be relieved of the obligation to make payments for services other than those received before death or the onset of disability, except as provided in paragraph (3).

(1) If the buyer has prepaid any amount for services, so much of the amount prepaid that is allocable to services that the buyer has not received shall be promptly refunded to the buyer or his or her representative.

(2) "Disability" means a condition which precludes the buyer from physically using the services specified in the contract during the term of disability and the condition is verified in writing by a physician designated and remunerated by the buyer. The written verification of the physician shall be presented to the seller.

(3) If the physician determines that the duration of the disability will be less than six months, the seller may extend the term of the contract for a period of six months at no additional charge to the buyer in lieu of cancellation.

(b) If the buyer relocates his or her primary residence further than 50 miles from the weight loss center and is unable to transfer the contract to a comparable facility, the buyer may elect to be relieved of the obligation to make payment for services other than those received prior to that relocation, and if the buyer has prepaid any amount for weight loss services, so much of the amount prepaid that is allocable to services that the buyer has not received shall be promptly refunded to the buyer. A buyer who elects to be relieved of further obligation pursuant to this subdivision may be charged a predetermined fee not to exceed one hundred dollars ($100) or, if more than half the life of the contract has expired, a predetermined fee not to exceed fifty dollars ($50).

1694.9. (a) Any contract for weight loss services which does not comply with this chapter is void and unenforceable.

(b) Any contract for weight loss services entered into under willful and fraudulent or misleading information or advertisements of the seller is void and unenforceable.

(c) Any buyer injured by a violation of this chapter may bring an action for the recovery of damages in a court of competent jurisdiction. Judgment may be entered for three times the amount at which the actual damages are assessed if the violation is willful. Reasonable attorney fees may be awarded to the prevailing party.

(d) Notwithstanding the provisions of any contract to the contrary, whenever the contract price is payable in installments and the buyer is relieved from making further payments or entitled to a refund under this chapter, the buyer shall be entitled to receive a refund or refund credit of that portion of the cash price as is allocable to the services not actually received by the buyer. The refund of any finance charge shall be computed according to the "sum of the balance method," also known as the "Rule of 78."

(e) Any waiver by the buyer of this chapter is void and unenforceable.

CHAPTER 139

An act to amend Section 340.1 of, and to add Section 340.2 to, the Military and Veterans Code, relating to military service.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 340.1 of the Military and Veterans Code is amended to read:

340.1. (a) Any officer or enlisted member of the California National Guard, the unorganized militia when called into the active service of the state, or the organized militia when not in the active service of the United States, except an officer, warrant officer, or enlisted member in the active service of the state with the Office of the Adjutant General, who is wounded, injured, or disabled in the active service of the state in the line of duty shall be retained on active duty and shall receive regular military pay and allowances for not to exceed 52 weeks from the date of wounding, injury, or disability, regardless of the date of expiration of the period of state active duty, unless any of the following occurs:

(1) The member becomes entitled to disability compensation through any private or other public employer.

(2) The member is able to return to his or her regular civilian employment, as determined by proper authority.

(3) The member requests an earlier release from active duty.

(b) A member who has received benefits under subdivision (a) and who is unable to return to his or her regular civilian employment following 52 weeks after the date of wounding, injury, or disability is entitled to compensation under Division 4 (commencing with Section 3201) of the Labor Code, pursuant to Section 340.

SEC. 2. Section 340.2 is added to the Military and Veterans Code, to read:

340.2. Any officer or enlisted member of the California National Guard, the unorganized militia when called into the active service of the state, or the organized militia when not in the active service of the United States, who, while in that active service, is transferred by the California National Guard or other military authority to any other state or local agency for purposes of fulfilling active service requirements pursuant to either a mutual aid agreement or an interagency agreement and is wounded, injured, or disabled in the line of duty, is entitled to the benefits provided under Section 340.1.

CHAPTER 140

An act to add Section 2676.5 to the Labor Code, relating to garment manufacturing.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2676.5 is added to the Labor Code, to read:

2676.5. (a) Every person registered as a garment manufacturer shall display on the front entrance of his or her business premise, and also, if the front entrance is within the interior of a building, on or near the main exterior entrance of the building in which his or her business premise is located, his or her name, address, and garment manufacturing registration number, all in letters not less than three inches high.

(b) The Labor Commissioner may waive the requirements of this section if he or she finds compliance to be unfeasible due to the design or layout of a business premise.

(c) This section shall not apply to a showroom or a building containing a showroom if no garment manufacturing or only incidental garment manufacturing is conducted in the showroom or the building.

(d) As used in this section, "showroom" means a room where merchandise is exposed for sale or where samples are displayed.

CHAPTER 141

An act to amend Sections 21092 and 21151.1 of the Public Resources Code, relating to environmental quality, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21092 of the Public Resources Code is amended to read:

21092. (a) Any public agency which is preparing an environmental impact report or a negative declaration shall provide public notice of that fact within a reasonable period of time prior to final adoption by the public agency of the environmental impact report or negative declaration. That notice shall be given to all organizations and individuals who have previously requested notice and shall also be given by at least one of the following procedures:

(1) Publication, no fewer times than required by Section 6061 of the Government Code, by the public agency in a newspaper of general circulation in the area affected by the proposed project.

(2) Posting of notice by the public agency on- and off-site in the area where the project is to be located.

(3) Direct mailing to the owners and occupants of contiguous property shown on the latest equalized assessment roll.

(b) For any project involving the burning of municipal wastes, hazardous waste, or refuse-derived fuel, including, but not limited to, tires, meeting the qualifications of subdivision (c), notice shall be given to all organizations and individuals who have previously requested notice and shall also be given by at least the procedures specified in paragraphs (1), (2), and (3) of subdivision (a). In addition, notification shall be given by direct mailing to the owners and occupants of property within one-fourth of a mile of any parcel or parcels on which is located a project subject to this subdivision. This subdivision does not apply to any project for which notice has already been provided as of the effective date of Assembly Bill 58 of the 1989–90 Regular Session in compliance with this section as it existed prior to that effective date.

(c) The notice requirements of subdivision (b) apply to both of the following:

(1) The construction of a new facility.

(2) The expansion of an existing facility which burns hazardous waste which would increase its permitted capacity by more than 10 percent. For purposes of this paragraph, the amount of expansion of an existing facility shall be calculated by comparing the proposed facility capacity with whichever of the following is applicable:

(A) The facility capacity approved in the facility's hazardous waste facilities permit pursuant to Section 25200 of the Health and Safety Code or its grant of interim status pursuant to Section 25200.5 of the Health and Safety Code, or the facility capacity authorized in any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted before January 1, 1990.

(B) The facility capacity authorized in the facility's original hazardous waste facilities permit, grant of interim status, or any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted on or after January 1, 1990.

(d) The notice requirements specified in subdivision (a) or (b) shall not preclude a public agency from providing additional notice by other means if the agency so desires, or from providing the public notice required by this section at the same time and in the same manner as public notice otherwise required by law for the project.

SEC. 2. Section 21151.1 of the Public Resources Code is amended to read:

21151.1. (a) Notwithstanding paragraph (6) of subdivision (b) of Section 21080, or Section 21080.5 or 21084, or any other provision of

law, a lead agency shall prepare or cause to be prepared by contract, and certify the completion of, an environmental impact report for any project involving the burning of municipal wastes, hazardous waste, or refuse-derived fuel, including, but not limited to, tires, if the project is either of the following:

(1) The construction of a new facility.

(2) The expansion of an existing facility which burns hazardous waste which would increase its permitted capacity by more than 10 percent.

This subdivision does not apply to any project exclusively burning hazardous waste, for which a final determination under Section 21080.1 has been made prior to the effective date of Assembly Bill 58 of the 1989–90 Regular Session.

(b) For purposes of subdivision (a), the amount of expansion of an existing facility shall be calculated by comparing the proposed facility capacity with whichever of the following is applicable:

(1) The facility capacity authorized in the facility's hazardous waste facilities permit pursuant to Section 25200 of the Health and Safety Code or its grant of interim status pursuant to Section 25200.5 of the Health and Safety Code, or the facility capacity authorized in any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted before January 1, 1990.

(2) The facility capacity authorized in the facility's original hazardous waste facilities permit, grant of interim status, or any state or local agency permit allowing the construction or operation of a facility for the burning of hazardous waste, granted on or after January 1, 1990.

(c) Subdivision (a) does not apply to any project which does any of the following:

(1) Exclusively burns digester gas produced from manure or any other solid or semisolid animal waste.

(2) Exclusively burns methane gas produced from a disposal site as defined in Section 66714.1 of the Government Code, which is used only for the disposal of solid waste as defined in Section 66719 of the Government Code.

(3) Exclusively burns forest, agricultural, wood, or other biomass wastes.

(4) Exclusively burns hazardous waste in an incineration unit which is transportable and which is either at a site for not longer than three years or is part of a remedial or removal action. For purposes of this paragraph, "transportable" means any equipment which performs a "treatment" as defined in Section 66216 of Title 22 of the California Code of Regulations, and which is transported on a vehicle as defined in Section 66230 of Title 22 of the California Code of Regulations.

(5) Exclusively burns refinery waste in a flare on the site of generation.

(6) Exclusively burns in a flare methane gas produced at a

municipal sewage treatment plant.

(7) Exclusively burns hazardous waste, or exclusively burns hazardous waste as a supplemental fuel, as part of a research, development, or demonstration project which, consistent with federal regulations implementing the Resource Conservation and Recovery Act of 1976 (Public Law 94-580) and amendments thereto, has been determined to be innovative and experimental by the State Department of Health Services and which is limited in type and quantity of waste to that necessary to determine the efficacy and performance capabilities of the technology or process; provided, however, that any facility which operated as a research, development, or demonstration project and for which an application is thereafter submitted for a hazardous waste facility permit for operation other than as a research, development, or demonstration project shall be considered a new facility for the burning of hazardous waste and shall be subject to subdivision (a) of Section 21151.1.

(8) Exclusively burns soils contaminated only with petroleum fuels or the vapors from these soils.

(9) Exclusively treats less than 3,000 pounds of hazardous waste per day in a thermal processing unit operated in the absence of open flame, and submits a worst-case health risk assessment of the technology to the State Department of Health Services for review and distribution to the interested public. This assessment shall be prepared in accordance with guidelines set forth in the Air Toxics Assessment Manual of the California Air Pollution Control Officers Association.

(10) Exclusively burns less than 1,200 pounds of infectious waste per day, as defined in Section 25117.5 of the Health and Safety Code, on hospital sites.

(11) Exclusively burns chemicals and fuels as part of firefighter training.

(12) Exclusively conducts open burns of explosives subject to the requirements of the local or regional air pollution control district and in compliance with OSHA and Cal-OSHA regulations.

(13) Exclusively conducts onsite burning of less than 3,000 pounds per day of fumes directly from a manufacturing or commercial process.

(d) Subdivision (a) does not apply to any project for which the State Energy Resources Conservation and Development Commission has assumed jurisdiction under Chapter 6 (commencing with Section 25500) of Division 15.

(e) This section does not exempt any project from any other requirement of this division.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because self-financing authority is provided in Section 21089 of the Public Resources Code to cover any costs that may be incurred in carrying on any program or performing any service required to be carried on

or performed by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that projects currently under consideration, for which a determination has not been made under Section 21080.1 of the Public Resources Code as to whether an environmental impact report will be prepared, have environmental impact reports and to provide increased public notice as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 142

An act to amend Section 742 of the Public Utilities Code, relating to telephones.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 742 of the Public Utilities Code is amended to read:

742. (a) The commission shall, by rule or order, adopt and enforce operating requirements for coin-activated and credit card-activated telephones available for public use owned or operated by corporations or persons other than telephone corporations. These requirements shall include, but are not limited to, all of the following:

(1) A requirement that the telephone corporation furnishing service to the corporation or person owning or operating a coin-activated or credit card-activated telephone terminate service for any violation of the commission's rules or orders or of this section, upon a determination by the commission that the violation was a significant or repeated violation. Any determination by the commission leading to a termination of service shall be made in accordance with commission rules or orders adopted pursuant to this subdivision.

(2) A requirement that every telephone permit a caller to be connected with the operator personnel of any telephone corporation authorized by the commission to operate within a service area by dialing the numeral "0" and with the emergency services switchboard reached by dialing the numerals "911" without insertion of any coin.

(3) A requirement that every telephone contain instructions for

both local and long distance dialing, the name of the owner or operator of the telephone, and the telephone number of that owner or operator to which complaints can be made.

(4) A requirement that every telephone display its telephone number or other identification number, as determined by the commission, and the address at which the telephone is located, on the telephone in a place where that information may be seen by a person using the telephone.

(b) The commission shall require every telephone corporation which publishes a directory of subscribers to include in that directory information comprising the substance of this section and the rules and orders of the commission adopted pursuant to this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 143

An act to add Sections 26668 and 72110 to the Government Code, relating to counties.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 26668 is added to the Government Code, to read:

26668. Notwithstanding any other provision of law, the Board of Supervisors of Riverside County may find, after holding a public hearing on the issue, that cost savings can be realized by consolidation of court-related services provided by the sheriff and both offices of the marshal within that county. If that finding is made, there shall be conducted among all of the judges of the superior and municipal courts of that county an election to determine the agency, either the sheriff or both offices of the marshal, under which court-related services shall be consolidated. The outcome shall be determined by a simple majority of votes cast. The registrar of voters shall administer that election and tabulate the results thereof. The results of that election shall be reported within 15 days following the election period, by the registrar of voters to the board of supervisors

and to the judges of the superior and municipal courts of that county. The board of supervisors shall immediately commence and, within a reasonable time not to exceed 90 days, implement the determination made by a majority of the votes cast in that election. If an election is not conducted within 90 days of notification of the board of supervisors' finding, or if the results of the election are evenly divided, the board of supervisors of that county shall determine under which agency, either the sheriff or both offices of the marshal, court-related services shall be consolidated; and shall proceed to implement the consolidation as if on the basis of a majority of the votes cast by the judges of the superior and municipal courts of that county.

SEC. 2. Section 72110 is added to the Government Code, to read:

72110. (a) Notwithstanding any other provision of law, the Board of Supervisors of Riverside County may find, after holding a public hearing on the issue, that cost savings can be realized by consolidation of court-related services provided by the sheriff and both offices of the marshal within that county. If that finding is made, there shall be conducted among all of the judges of the superior and municipal courts of that county an election to determine the agency, either the sheriff or both offices of the marshal, under which court-related services shall be consolidated. The outcome shall be determined by a simple majority of votes cast. The registrar of voters shall administer that election and tabulate the results thereof. The results of that election shall be reported within 15 days following the election period by the registrar of voters to the board of supervisors and to the judges of the superior and municipal courts of that county. The board of supervisors shall immediately commence and, within a reasonable time not to exceed 90 days, implement the determination made by a majority of the votes cast by the judges of the superior and municipal courts of the county in that election. If an election is not conducted within 90 days of notification of the board of supervisors' finding, or if the results of the election are evenly divided, the board of supervisors of that county shall determine under which agency, either the sheriff or both offices of the marshal, court-related services shall be consolidated, and shall proceed to implement that consolidation as if on the basis of a majority of the votes cast by the judges of the superior and municipal courts of that county.

(b) Notwithstanding any other provision of law, the marshals and all personnel of the marshals' offices or personnel of the sheriff's office affected by a consolidation of court-related services under this section or Section 26668 shall become employees of that consolidated office at their existing or equivalent classifications, salaries, and benefits, and except as may be necessary for the operation of the agency under which court-related services are consolidated, shall not be involuntarily transferred during a period of six years following the consolidation out of that consolidated court-related services office. The elective offices of marshal for the County of Riverside shall be

abolished upon a determination pursuant to the procedures required by this section or Section 26668 that consolidated court-related services shall be provided by the sheriff.

(c) Permanent employees of the marshals' offices or sheriff's office on the effective date of a consolidation under this section or Section 26668 shall be deemed qualified, and no other qualifications shall be required for employment or retention. Probationary employees of the sheriff's office or the marshals' offices on the effective date of a consolidation under this section or Section 26668 shall retain their probationary status and rights, and shall not be deemed to have transferred so as to require serving a new probationary period. Transferring personnel may be required to take a promotional examination to promote to a higher classification but shall not be required to retest for his or her existing classification as a prerequisite to testing for a higher classification. A transferring deputy marshal requesting a transfer to another division in the sheriff's office shall not be required to take a written test as a prerequisite to making a lateral transfer.

(d) All county service or service by employees of the sheriff's office or the marshals' offices on the effective date of a consolidation under this section or Section 26668 shall be counted toward seniority in that court-related services office, and all time spent in the same, equivalent, or higher classification shall be counted toward classification seniority.

(e) No employee of the sheriff's office or the marshals' offices on the effective date of a consolidation under this section or Section 26668 shall lose peace officer status, or be demoted or otherwise adversely affected by a consolidation of court services.

SEC. 3. Due to unique facts and circumstances applicable to Riverside County, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution. Special legislation is, therefore, necessarily applicable to only Riverside County.

CHAPTER 144

An act to amend Sections 186.22 and 1001.71 of the Penal Code, relating to crimes.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 14, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 186.22 of the Penal Code is amended to read:

186.22. (a) Any person who actively participates in any criminal street gang with knowledge that its members engage in or have

engaged in a pattern of criminal gang activity, and who willfully promotes, furthers, or assists in any felonious criminal conduct by members of that gang, shall be punished by imprisonment in the county jail for a period not to exceed one year, or by imprisonment in the state prison for one, two, or three years.

(b) (1) Except as provided in paragraph (2), any person who is convicted of a felony which is committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one, two, or three years at the court's discretion. The court shall order the imposition of the middle term of the sentence enhancement, unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its choice of sentence enhancements on the record at the time of the sentencing.

(2) Any person who violates this subdivision in the commission of a felony punishable by imprisonment in the state prison for life, shall not be paroled until a minimum of 15 calendar years have been served.

(c) Any person who is convicted of a public offense punishable as a felony or a misdemeanor, which is committed for the benefit of, at the direction of, or in association with, any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall be punished by imprisonment in the county jail not to exceed one year, or by imprisonment in the state prison for one, two, or three years, provided that any person sentenced to imprisonment in the county jail shall be imprisoned for a period not to exceed one year, but not less than 180 days, and shall not be eligible for release upon completion of sentence, parole, or any other basis, until he or she has served 180 days. If the court grants probation or suspends the execution of sentence imposed upon the defendant, it shall require as a condition thereof that the defendant serve 180 days in the county jail.

(d) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in this section or refuse to impose the minimum jail sentence for misdemeanors in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

(e) As used in this chapter, "pattern of criminal gang activity" means the commission, attempted commission, or solicitation of two or more of the following offenses, provided at least one of those offenses occurred after the effective date of this chapter and the last of those offenses occurred within three years after a prior offense, and the offenses are committed on separate occasions, or by two or

more persons:

(1) Assault with a deadly weapon or by means of force likely to produce great bodily injury, as defined in Section 245.

(2) Robbery, as defined in Chapter 4 (commencing with Section 211) of Title 8 of Part 1.

(3) Unlawful homicide or manslaughter, as defined in Chapter 1 (commencing with Section 187) of Title 8 of Part 1.

(4) The sale, possession for sale, transportation, manufacture, offer for sale, or offer to manufacture controlled substances as defined in Sections 11054, 11055, 11056, 11057, and 11058 of the Health and Safety Code.

(5) Shooting at an inhabited dwelling or occupied motor vehicle, as defined in Section 246.

(6) Arson, as defined in Chapter 1 (commencing with Section 450) of Title 13.

(7) The intimidation of witnesses and victims, as defined in Section 136.1.

(f) As used in this chapter, "criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more of the criminal acts enumerated in paragraphs (1) to (7), inclusive, of subdivision (e), which has a common name or common identifying sign or symbol, whose members individually or collectively engage in or have engaged in a pattern of criminal gang activity.

SEC. 2. Section 1001.71 of the Penal Code is amended to read:

1001.71. This chapter shall apply whenever a case is before any court upon an accusatory pleading alleging a parent or legal guardian to have violated Section 272 with respect to his or her minor child, and all of the following apply to the defendant:

(a) The defendant's record does not indicate that probation or parole has ever been revoked without thereafter being completed.

(b) The defendant's record does not indicate that he or she has previously been diverted pursuant to this chapter.

CHAPTER 145

An act to amend Section 18951.5 of the Government Code, relating to state employees.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 18951.5 of the Government Code is amended to read:

18951.5. (a) In an examination held on an open, nonpromotional

basis under Section 18950, a competitor who has served at least one full year in, or who is a graduate of, the California Conservation Corps, and who attains the passing mark established for the examination, shall have three career credits added to his or her score. Eligibility for career credits pursuant to this section shall expire 24 months after graduation from the California Conservation Corps, except that the expiration date shall be extended for the period of time that a Governor's freeze on new civil service hires is in effect during the 24 months.

(b) In an examination held on an open, nonpromotional basis under Section 18950, a competitor who has worked full time as either a seasonal Fire Fighter I or a limited term or permanent intermittent Fire Fighter II, Fire Fighter II (Paramedic), Fire Apparatus Engineer, or Fire Apparatus Engineer (Paramedic), for three months with the California Department of Forestry and Fire Protection since January 1, 1979, and who attains a passing mark established for the examination for Fire Fighter II, Fire Fighter II (Paramedic), Fire Apparatus Engineer, or Fire Apparatus Engineer (Paramedic) shall have three career credits added to his or her score.

CHAPTER 146

An act to add Section 14672.51 to the Government Code, relating to state property.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14672.51 is added to the Government Code, to read:

14672.51. (a) Notwithstanding Section 14670, the Director of General Services, with the consent of the Department of Corrections, may lease to the City of Folsom for purposes of a water reservoir a parcel of approximately one and one-half acres of unimproved real property situated in the County of Sacramento within the grounds of the California State Prison at Folsom for a period of not to exceed 50 years.

(b) The consideration for the lease authorized by this section shall be payable solely in money and no payment in-kind shall be acceptable.

(c) The lease authorized by this section shall be for fair market value and shall not be renegotiated during its term. The lease shall be subject to periodic review every five years by the director who shall receive a report from the lessee and shall review that report to determine whether the purposes of the lease are being carried out.

CHAPTER 147

An act to amend Section 11709 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11709 of the Vehicle Code is amended to read:

11709. (a) A dealer's established place of business, and other sites or locations as may be operated and maintained by the dealer in conjunction with his or her established place of business, shall have posted, in a place conspicuous to the public in each and every location, the license issued by the department to the dealer and to each salesman employed by the dealer and shall have erected or posted thereon signs or devices providing information relating to the dealer's name and the location and address of the dealer's established place of business to enable any person doing business with the dealer to identify him or her properly. Every such sign erected or posted, on an established place of business, shall have an area of not less than two square feet per side displayed and shall contain lettering of sufficient size to enable the sign to be read from a distance of at least 50 feet. This section shall not apply to a dealer who is a wholesaler involved for profit only in the sale of vehicles between licensed dealers.

(b) Notwithstanding Section 11704 and this section, a dealer may display vehicles at a fair, exposition, or similar exhibit without securing a branch license, if no actual sales are made at those events and the display does not exceed 30 days.

(c) All vehicles displayed pursuant to subdivision (b) or (e) shall be identified by a sign or device providing information relating to the dealer's name and the location and address of the dealer's established place of business.

(d) This section shall not be applicable to a dealer who deals only in off-highway vehicles subject to identification, as defined in Section 38012.

(e) Notwithstanding Section 11704 and this section, a vessel dealer may display a trailer and may sell a trailer in conjunction with the sale of a vessel at a fair, exposition, or similar exhibit without securing a branch license, if the display does not exceed 30 days.

CHAPTER 148

An act to amend Section 946.6 of the Government Code, relating to public liability.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 946.6 of the Government Code is amended to read:

946.6. (a) Where an application for leave to present a claim is denied or deemed to be denied pursuant to Section 911.6, a petition may be made to the court for an order relieving the petitioner from the provisions of Section 945.4. The proper court for filing the petition is a court which would be a competent court for the trial of an action on the cause of action to which the claim relates and which is located in a county or judicial district which would be a proper place for the trial of the action, and if the petition is filed in a court which is not a proper court for the determination of the matter, the court, on motion of any party, shall transfer the proceeding to a proper court.

(b) The petition must show (1) that application was made to the board under Section 911.4 and was denied or deemed denied, (2) the reason for failure to present the claim within the time limit specified in Section 911.2 and (3) the information required by Section 910. The petition shall be filed within six months after the application to the board is denied or deemed to be denied pursuant to Section 911.6.

(c) The court shall relieve the petitioner from the provisions of Section 945.4 if the court finds that the application to the board under Section 911.4 was made within a reasonable time not to exceed that specified in subdivision (b) of Section 911.4 and was denied or deemed denied pursuant to Section 911.6 and that one or more of the following is applicable:

(1) The failure to present the claim was through mistake, inadvertence, surprise, or excusable neglect unless the public entity establishes that it would be prejudiced in the defense of the claim if the court relieves the petitioner from the provisions of Section 945.4.

(2) The person who sustained the alleged injury, damage, or loss was a minor during all of the time specified in Section 911.2 for the presentation of the claim.

(3) The person who sustained the alleged injury, damage, or loss was physically or mentally incapacitated during all of the time specified in Section 911.2 for the presentation of the claim and by reason of the disability failed to present a claim during that time.

(4) The person who sustained the alleged injury, damage, or loss died before the expiration of the time specified in Section 911.2 for the presentation of the claim.

(d) A copy of the petition and a written notice of the time and place of hearing thereof shall be served before the hearing as prescribed by Section 1005 of the Code of Civil Procedure on (1) the clerk or secretary or board of the local public entity, if the respondent is a local public entity, or (2) the Attorney General, if the respondent is the state. If the petition involves a claim arising out of alleged actions or inactions of the Department of Transportation, service of the petition and notice of the hearing shall be made on the Attorney General or the Director of Transportation. Service on the Attorney General may be accomplished at any of the Attorney General's offices in Los Angeles, Sacramento, San Diego, or San Francisco. Service on the Director of Transportation may be accomplished only at the Department of Transportation's headquarters office in Sacramento.

(e) The court shall make an independent determination upon the petition. The determination shall be made upon the basis of the petition, any affidavits in support of or in opposition to the petition, and any additional evidence received at the hearing on the petition.

(f) If the court makes an order relieving the petitioner from the provisions of Section 945.4, suit on the cause of action to which the claim relates must be filed in that court within 30 days thereafter.

CHAPTER 149

An act to amend Section 31789.12 of the Government Code, relating to public employee retirement.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 31789.12 of the Government Code is amended to read:

31789.12. Notwithstanding Section 31789.1, the board may increase the sum payable pursuant to Section 31789.1 to one thousand dollars ($1,000).

Upon adoption by any county providing benefits pursuant to this section, of Article 5.5 (commencing with Section 31610) of this chapter, the board of retirement shall, instead, pay those benefits from the Supplemental Retiree Benefits Reserve established pursuant to Section 31618.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for

reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 150

An act to amend Section 1272.1 of the Penal Code, relating to bail.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1272.1 of the Penal Code is amended to read:

1272.1. Release on bail pending appeal under subdivision (3) of Section 1272 shall be ordered by the court if the defendant demonstrates all the following:

(a) By clear and convincing evidence, the defendant is not likely to flee. Under this subdivision the court shall consider the following criteria:

(1) The ties of the defendant to the community, including his or her employment, the duration of his or her residence, the defendant's family attachments and his or her property holdings.

(2) The defendant's record of appearance at past court hearings or of flight to avoid prosecution.

(3) The severity of the sentence the defendant faces.

(b) By clear and convincing evidence, the defendant does not pose a danger to the safety of any other person or to the community.

Under this subdivision the court shall consider, among other factors, whether the crime for which the defendant was convicted is a violent felony, as defined in subdivision (c) of Section 667.5.

(c) The appeal is not for the purpose of delay and, based upon the record in the case, raises a substantial legal question which, if decided in favor of the defendant, is likely to result in reversal.

For purposes of this subdivision, a "substantial legal question" means a close question, one of more substance than would be necessary to a finding that it was not frivolous. In assessing whether a substantial legal question has been raised on appeal by the defendant, the court shall not be required to determine whether it committed error.

In making its decision on whether to grant defendants' motions for bail under subdivision (3) of Section 1272, the court shall include a brief statement of reasons in support of an order granting or denying a motion for bail on appeal. The statement need only include the

basis for the order with sufficient specificity to permit meaningful review.

CHAPTER 151

An act to add Section 10913 to the Fish and Game Code, relating to refuges, and making an appropriation therefor.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10913 is added to the Fish and Game Code, to read:

10913. The land and ocean waters within the following boundaries constitute the City of Encinitas Marine Life Refuge:

All those submerged lands lying between the mean high tide line in the City of Encinitas, County of San Diego, State of California, and a line which is 600 feet westerly of and parallel and concentric with that mean high tide line and lying southerly of the westerly prolongation of the northerly right-of-way line of "D" Street as shown on Map No. 148, in the City of Encinitas, County of San Diego, State of California, filed in the office of the County Recorder of San Diego County, and lying northerly of the following described line:

Beginning at the southeasterly corner of Lot N in Block 3 of Resubdivision of Sea Cliff Villa, in the City of Encinitas, County of San Diego, State of California, filed in the San Diego County Recorder's office, December 10, 1914; thence southwesterly along the southwesterly prolongation of the southeasterly line of said Lot N, South 36°36'30" west, to a point on that line which is 600 feet westerly of and parallel and concentric with the mean high tide line.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 152

An act to add Section 8298 to the Government Code, relating to the California Law Revision Commission.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8298 is added to the Government Code, to read:

8298. The commission may study and recommend revisions to correct technical or minor substantive defects in the statutes of the state without a prior concurrent resolution of the Legislature referring the matter to it for study.

CHAPTER 153

An act to amend Sections 11167.5 and 11170 of the Penal Code, relating to child abuse.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11167.5 of the Penal Code is amended to read:

11167.5. (a) The reports required by Sections 11166 and 11166.2 shall be confidential and may be disclosed only as provided in subdivision (b). Any violation of the confidentiality provided by this article shall be a misdemeanor punishable by up to six months in jail or by a fine of five hundred dollars ($500) or by both.

(b) Reports of suspected child abuse and information contained therein may be disclosed only to the following:

(1) Persons or agencies to whom disclosure of the identity of the reporting party is permitted under Section 11167.

(2) Persons or agencies to whom disclosure of information is permitted under subdivision (b) of Section 11170.

(3) Persons or agencies with whom investigations of child abuse are coordinated under the regulations promulgated under Section 11174.

(4) Multidisciplinary personnel teams as defined in subdivision (d) of Section 18951 of the Welfare and Institutions Code.

(5) Persons or agencies responsible for the licensing of facilities which care for children, as specified in Section 11165.7.

(6) The State Department of Social Services or any county

licensing agency which has contracted with the state, as specified in paragraph (3) of subdivision (b) of Section 11170, when an individual has applied for a community care license or child day care license, or for employment in an out-of-home care facility, or when a complaint alleges child abuse by an operator or employee of an out-of-home care facility.

(7) Hospital scan teams. As used in this paragraph, "hospital scan team" means a team of three or more persons established by a hospital, or two or more hospitals in the same county, consisting of health care professionals and representatives of law enforcement and child protective services, the members of which are engaged in the identification of child abuse. The disclosure authorized by this section includes disclosure among hospital scan teams located in the same county.

(8) Coroners and medical examiners when conducting a postmortem examination of a child.

(c) Nothing in this section shall be interpreted to require the Department of Justice to disclose information contained in records maintained under Section 11169 or under the regulations promulgated pursuant to Section 11174, except as otherwise provided in this article.

(d) This section shall not be interpreted to allow disclosure of any reports or records relevant to the reports of child abuse if the disclosure would be prohibited by any other provisions of state or federal law applicable to the reports or records relevant to the reports of child abuse.

SEC. 2. Section 11170 of the Penal Code is amended to read:

11170. (a) The Department of Justice shall maintain an index of all reports of child abuse submitted pursuant to Section 11169. The index shall be continually updated by the department and shall not contain any reports that are determined to be unfounded. The department may adopt rules governing recordkeeping and reporting pursuant to this article.

(b) (1) The Department of Justice shall immediately notify a child protective agency which submits a report pursuant to Section 11169, or a district attorney who requests notification, of any information maintained pursuant to subdivision (a) which is relevant to the known or suspected instance of child abuse reported by the agency. A child protective agency shall make that information available to the reporting medical practitioner, child custodian, guardian ad litem appointed under Section 326, or counsel appointed under Section 317 or 318 of the Welfare and Institutions Code, or the appropriate licensing agency, if he or she is treating or investigating a case of known or suspected child abuse.

(2) When a report is made pursuant to subdivision (a) of Section 11166, the investigating agency shall, upon completion of the investigation or after there has been a final disposition in the matter, inform the person required to report of the results of the investigation and of any action the agency is taking with regard to

the child or family.

(3) The department shall make available to the State Department of Social Services or to any county licensing agency which has contracted with the state for the performance of licensing duties any information received subsequent to January 1, 1981, pursuant to this section concerning any person who is an applicant for licensure or any adult who resides or is employed in the home of an applicant for licensure or who is an applicant for employment in a position having supervisorial or disciplinary power over a child or children, or who will provide 24-hour care for a child or children in a residential home or facility, pursuant to Section 1522.1 or 1596.877 of the Health and Safety Code, or Section 226 of the Civil Code. If the department has information which has been received subsequent to January 1, 1981, concerning such a person, it shall also make available to the State Department of Social Services or the county licensing agency any other information maintained pursuant to subdivision (a).

(4) The department shall notify parents or legal guardians requesting a background examination of a professional child care provider pursuant to Chapter 3.65 (commencing with Section 1597.80) of Division 2 of the Health and Safety Code, of the fact that a substantiated report exists which indicates that the professional child care provider was a suspect of child abuse subsequent to January 1, 1981, or prior to January 1, 1981, if there was also a report subsequent to that date.

(5) The department shall notify parents or legal guardians requesting a background examination of a professional child care provider pursuant to Chapter 3.65 (commencing with Section 1597.80) of Division 2 of the Health and Safety Code, of the fact that no substantiated report exists which indicates that the professional child care provider was a suspect of child abuse subsequent to January 1, 1981.

CHAPTER 154

An act to amend Section 70050 of, to add Section 89722.9 to, and to repeal Section 90403 of, the Education Code, relating to postsecondary education, and making an appropriation therefor.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 70050 of the Education Code is amended to read:

70050. The board may, out of any appropriation made for the support of the school, without at the time furnishing vouchers and itemized statements, withdraw a sum or sums not to exceed

seventy-five thousand dollars ($75,000) to be paid to the commanding officer of the vessel used by the school to provide for the payment of expenses of cruises. The sum or sums so drawn for any cruise or cruises shall, not later than two months following the termination of the cruise or cruises, be accounted for and substantiated by vouchers and itemized statements submitted to and audited by the Controller. Any unexpended balance of the sum or sums so withdrawn shall be returned to the appropriation from which originally withdrawn.

SEC. 2. Section 89722.9 is added to the Education Code, to read:

89722.9. Notwithstanding Sections 16305 to 16305.7, inclusive, of the Government Code and any other law to the contrary, financial aid money in the possession of the California State University may be deposited by the chief fiscal officer of each campus of the California State University in a checking account in the centralized treasury system. The funds in the checking account shall be invested by the Treasurer. Interest earned thereon shall be deposited in the California State University Trust Fund. The interest earnings shall be continuously appropriated for expenditure by the Trustees of the California State University for financial aid, except that the interest earned from the investment of federal financial aid moneys may be returned to the United States if required by applicable federal law.

SEC. 3. Section 90403 of the Education Code is repealed.

CHAPTER 155

An act to add Section 16377 to the Government Code, relating to state funds.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 16377 is added to the Government Code, to read:

16377. There is permanently established in the Special Deposit Fund in the State Treasury the Child Support Intercept Account which shall be continuously available pursuant to Section 16372 for the payment of child and spousal support obligations. The account shall consist of all moneys obtained by the state pursuant to child and spousal support intercept programs.

CHAPTER 156

An act to amend Section 64 of the Harbors and Navigation Code, relating to water hyacinth.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 64 of the Harbors and Navigation Code is amended to read:

64. (a) The Legislature hereby finds and declares that the growth of water hyacinth in the Sacramento-San Joaquin Delta, its tributaries, and the Suisun Marsh has occurred at an unprecedented level and that the resulting accumulations of water hyacinth obstruct navigation, impair other recreational uses of waterways, have the potential for damaging manmade facilities, and may threaten the health and stability of fisheries and other ecosystems within the delta and marsh. Accordingly, it is necessary that the state, in cooperation with agencies of the United States, undertake an aggressive program for the effective control of water hyacinth in the delta, its tributaries, and the marsh.

(b) The department is designated as the lead agency of the state for the purpose of cooperating with agencies of the United States and other public agencies in controlling water hyacinth in the delta, its tributaries, and the marsh.

(c) The department, other state agencies, cities, counties, and districts are hereby authorized to cooperate with one another and with agencies of the United States in controlling water hyacinth in the delta, its tributaries, and the marsh and may furnish money, services, equipment, and other property to that end.

CHAPTER 157

An act to add Section 262.5 to the Streets and Highways Code, relating to highways.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 262.5 is added to the Streets and Highways Code, to read:

262.5. (a) Whenever the department determines that any state highway within or traversing United States National Forest lands meets the standards for official state scenic highways, the

department shall designate the highway as an official state scenic highway and shall so indicate the highway in any publications of the department or in any maps which are issued by the department to the public.

(b) The department shall cause appropriate signs to be placed and maintained along those portions of the highways which the department has designated pursuant to subdivision (a) as official state scenic highways that indicate that those portions of the highways are official state scenic highways.

(c) If at any time the department, with the advice of the Departmental Transportation Advisory Committee, determines that a state highway, designated as an official state scenic highway pursuant to subdivision (a), no longer meets the standards for official state scenic highways, it may revoke the designation of the highway as an official state highway and remove the signs which so indicate the highway.

CHAPTER 158

An act to amend Section 39015 of the Education Code, relating to schools.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 39015 of the Education Code is amended to read:

39015. (a) Whenever a school district acquires or has acquired a site for school purposes, as determined by the State Allocation Board, and does not use the site within (1) five years of the date of acquisition for the kindergarten, if any, and any of grades 1 to 8, inclusive, maintained by an elementary school district or a unified school district, or, (2) seven years of the date of acquisition for any of grades 7 to 12, inclusive, maintained by a high school district or a unified school district, or if a school district has a site at any grade level that has previously been used but has not been used for school purposes within the preceding five years, the school district shall be subject to nonuse payments, unless the State Allocation Board, from time to time, makes a determination that the school district will utilize the property for the purpose for which it was intended within a reasonable period of time, in a specific amount for each additional year in which the site is retained and not used by the district beyond the foregoing specified periods, except the first additional year shall be deemed to end not earlier than April 30, 1973.

(b) Payment shall not be required under this section as to any site having a value of twenty thousand dollars ($20,000) or less.

Commencing on January 1, 1988, and annually thereafter, the State Allocation Board shall increase this exemption figure by the amount of the current fiscal year inflation adjustment specified in Section 42238.1, if any.

(c) The payments required shall be computed by the Executive Officer of the State Allocation Board and certified to the Controller, and payments shall be equal to one one-hundredth ($1/100$) of the original purchase price of the site modified by either a factor reflecting the change in assessed value of all lands in the state from the date of purchase of the site to the current date or any other factor that in the determination of the State Allocation Board is applicable to the site under consideration.

(d) Whenever the State Allocation Board has determined that a school district in good faith has, within the preceding year, advertised the schoolsite for sale to the highest bidder pursuant to the provisions of Article 4 (commencing with Section 39360) of Chapter 3 of Part 23 and has received no bids that in the judgment of the State Allocation Board reflect the fair market value of the property, the Executive Officer of the State Allocation Board shall not compute any nonuse payments for the site for a period of one year beyond the date of the determination.

(e) Nonuse payments shall not be required for any year with respect to a schoolsite that for one-half or more of the number of days of that year has been utilized for any of the following purposes:

(1) By the school district, or by any other governmental entity pursuant to agreement with the school district, for school purposes, for use as a civic center, or for community playground, playing field, or other outdoor recreational purposes. " Civic center," for this purpose, means a site used for one or more of the purposes described in Section 40041.

(2) By the State Allocation Board, pursuant to agreement with the school district, for the storage of emergency portable classrooms.

(3) By the school district, or by any other public or private entity pursuant to agreement with the school district, for the operation of a child care program.

(f) Nonuse payments shall not be required for any year with respect to a schoolsite that was leased at least one-half of the days in that year in a manner that subjected the site to property taxes equal to the taxes that would have been paid if the site had been sold.

CHAPTER 159

An act to amend Section 935.4 of the Government Code, relating to public liability.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 935.4 of the Government Code is amended to read:

935.4. A charter provision, or a local public entity by ordinance or resolution, may authorize an employee of the local public entity to perform those functions of the governing body of the public entity under this part that are prescribed by the local public entity, but only a charter provision may authorize that employee to allow, compromise, or settle a claim against the local public entity if the amount to be paid pursuant to the allowance, compromise or settlement exceeds fifty thousand dollars ($50,000). A charter provision, ordinance, or resolution may provide that, upon the written order of that employee, the auditor or other fiscal officer of the local public entity shall cause a warrant to be issued upon the treasury of the local public entity in the amount for which a claim has been allowed, compromised, or settled.

SEC. 2. The amendment to Section 935.4 of the Government Code made by this act shall apply only to a local public entity if the governing body of that local public entity adopts an ordinance or resolution on or after January 1, 1990, to implement the provisions of this act.

CHAPTER 160

An act to amend Section 21107.5 of the Vehicle Code, relating to roads.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21107.5 of the Vehicle Code is amended to read:

21107.5. (a) Any city or county may, by ordinance or resolution, find and declare that there are privately owned and maintained roads as described in the ordinance or resolution within the city or county that are generally held open for use by the public for vehicular travel and which so connect with highways that the public

cannot determine that the roads are not highways. Upon enactment by a city or county of the ordinance or resolution, this code shall apply to the privately owned and maintained road, except as provided in subdivision (b).

(b) No ordinance or resolution enacted under subdivision (a) shall apply to any road on which the owner has erected a notice of a size, shape, and color as to be readily legible during daylight hours from a distance of 100 feet to the effect that the road is privately owned and maintained and that it is not subject to public traffic regulations or control.

(c) No ordinance or resolution shall be enacted under subdivision (a) without a public hearing after 10 days' written notice to the owner of the privately owned and maintained road involved.

(d) The department is not required to provide patrol or enforce any provision of this code on any privately owned and maintained road, except those provisions applicable to private property, other than pursuant to this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 161

An act to amend Sections 2531 and 2542 of, and to repeal Section 2530 of, the Vehicle Code, relating to hazardous materials.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2530 of the Vehicle Code is repealed:

SEC. 2. *Section 2531 of the Vehicle Code is amended to read:*

2531. In addition to taking action pursuant to Article 5 (commencing with Section 2540), the commissioner may deny, suspend, or revoke a license to transport hazardous material when it is evident that the applicant or licensee or his or her employees have repeatedly violated any provision of law to such an extent as to demonstrate that it would be unsafe and not in the public interest to permit the applicant or licensee to operate or permit the operation of any vehicle owned or controlled by him or her for the

transportation of hazardous material upon the public highways.

SEC. 3. Section 2542 of the Vehicle Code is amended to read:

2542. The commissioner may suspend, revoke, or take other disciplinary action against a license as provided in this article if the licensee or any partner, officer, director, controlling shareholder, or manager thereof:

(a) Violates any section of this code which relates to his or her licensed activities.

(b) Is convicted of any felony.

(c) Is convicted of any misdemeanor involving moral turpitude.

(d) Violates any of the regulations promulgated by the commissioner pursuant to this chapter.

(e) Commits any act involving dishonesty, fraud, or deceit whereby another is injured or any act involving moral turpitude.

(f) Has misrepresented a material fact in obtaining a license.

(g) Aids or abets an unlicensed person to evade this chapter.

(h) Fails to make and keep records showing his or her transactions as a licensee, or fails to have these records available for inspection by the commissioner or his or her duly authorized representative for a period of not less than three years after completion of any transaction to which the records refer, or refuses to comply with a written request of the commissioner to make such record available for inspection.

(i) Violates or attempts to violate this chapter relating to the particular activity for which he or she is licensed.

(j) Fails to equip or maintain his or her vehicles, as required by this code or by the regulations adopted pursuant to this code.

CHAPTER 162

An act to add Sections 20492.2 and 20524.1 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 20492.2 is added to the Government Code, to read:

20492.2. Notwithstanding Section 20805, a contracting agency, which is a reciprocal system pursuant to Section 20042, may amend its contract to remove an exclusion of groups of employees of the reciprocal system who elect to become members of this system prospectively only. Such an amendment shall not create liability for prior service.

SEC. 2. Section 20524.1 is added to the Government Code, to read:

20524.1. Notwithstanding Section 20524, if a member of a local system, which is also a reciprocal system pursuant to Section 20042, elects to join this system as permitted by Section 20492.2, the operation of the local system shall continue.

CHAPTER 163

An act to amend Section 7084 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 14, 1989. Filed with Secretary of State July 17, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7084 of the Revenue and Taxation Code is amended to read:

7084. (a) The board shall develop and implement a taxpayer education and information program directed at, but not limited to, all of the following groups:

(1) Taxpayers newly registered with the board.

(2) Taxpayer or industry groups identified in the annual report described in Section 7085.

(3) Board audit and compliance staff.

(b) The education and information program shall include all of the following:

(1) Mailings to, or appropriate and effective contact with, the taxpayer groups specified in subdivision (a) which explain in simplified terms the most common areas of noncompliance the taxpayers or industry groups are likely to encounter.

(2) A program of written communication with newly registered taxpayers explaining in simplified terms their duties and responsibilities as a resale permitholder and the most common areas of noncompliance encountered by participants in their business or industry.

(3) Participation in small business seminars and similar programs organized by federal, state, and local agencies.

(4) Revision of taxpayer educational materials currently produced by the board which explain the most common areas of taxpayer nonconformance in simplified terms.

(5) Implementation of a continuing education program for audit personnel to include the application of new legislation to taxpayer activities and areas of recurrent taxpayer noncompliance or inconsistency of administration.

(c) Electronic media used pursuant to this section shall not represent the voice, picture, or name of members of the board or of the Controller.

CHAPTER 164

An act to amend Section 130238 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 14, 1989 Filed with Secretary of State July 17, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 130238 of the Public Utilities Code is amended to read:

130238. (a) The Legislature finds and declares that (1) because of the highly specialized and unique nature of all rail transit equipment, (2) because of products and materials which are undergoing rapid technological changes, and (3) for the introduction of new technological changes into the operations of the commission, it may be in the public interest to consider, in addition to price, factors such as vendor financing, performance reliability, standardization, life-cycle costs, delivery timetables, support logistics, and the broadest possible range of competing products and materials available, fitness of purchase, manufacturer's warranty, and similar factors in the award of contracts for these vehicles and equipment.

(b) This section applies only to the purchase by the commission of (1) specialized rail transit equipment, including rail cars, and (2) computers, telecommunications equipment, fare collections equipment, microwave equipment, and other related electronic equipment and apparatus. This section does not apply to contracts for construction or for the procurement of any product available in substantial quantities to the general public.

(c) The commission may, after finding by a two-thirds vote of all of its members that a particular procurement qualifies under subdivision (b), direct that the procurement be conducted through competitive negotiation under this section. For purposes of this section, competitive negotiation includes, but is not limited to, all of the following requirements:

(1) The request for proposals shall be prepared and submitted to an adequate number of qualified sources, as determined by the commission, to permit reasonable competition consistent with the nature and requirement of the procurement.

(2) Notice of the request for proposals shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.

(3) The request for proposals shall identify all significant evaluation factors, including price, and their relative importance.

(4) The commission shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for contract award.

(5) Award shall be made to the qualified proposer whose proposal will be most advantageous to the commission with price and all other factors considered.

(d) The commission, at its discretion, may reject any and all proposals and request new proposals.

(e) Any proposer may protest any acquisition conducted in accordance with this section by filing with the commission, within 10 days after receiving notice of the recommended award, exclusive of Saturdays and Sundays, a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. The protesting proposer shall be granted an opportunity to appear and be heard before the commission prior to the final award. The decision of the commission on the protest is final.

CHAPTER 165

An act relating to the Industrial Welfare Commission, and making an appropriation therefor.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding Provision 3 of Item 8350-001-001 of the Budget Act of 1989, the sum of four hundred thirty-one thousand dollars ($431,000) is hereby appropriated from the General Fund to the Department of Industrial Relations for support of the Industrial Welfare Commission.

CHAPTER 166

An act to amend Section 2104 of, and to add Section 2107.5 to, the Public Utilities Code, relating to the Public Utilities Commission.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2104 of the Public Utilities Code is amended to read:

2104. Except as provided by Sections 2100 and 2107.5, actions to recover penalties under this part shall be brought in the name of the people of the State of California, in the superior court in and for the county, or city and county, in which the cause or some part thereof

arose, or in which the corporation complained of has its principal place of business, or in which the person complained of resides. The action shall be commenced and prosecuted to final judgment by the attorney of the commission. In any action, all penalties incurred up to the time of commencing the action may be sued for and recovered. In all of these actions, the procedure and rules of evidence shall be the same as in ordinary civil actions, except as otherwise herein provided. All fines and penalties recovered by the state in any action, together with the costs thereof, shall be paid into the State Treasury to the credit of the General Fund. Any action may be compromised or discontinued on application of the commission upon the terms the court approves and orders.

SEC. 2. Section 2107.5 is added to the Public Utilities Code, to read:

2107.5. When the commission finds, after hearing, that any person or corporation, other than a highway common carrier or a cement carrier, has knowingly aided or abetted a common carrier in violating Section 458 or has violated Section 459, or any order, decision, rule, regulation, direction, demand, or requirement issued under those provisions, the commission may impose a fine for each violation not to exceed five thousand dollars ($5,000). In addition to the fine, the commission may impose interest on the fine, not to exceed the maximum rate of interest provided for in Section 1 of Article XV of the Constitution. Interest shall commence to accrue on the date when the payment of the fine becomes delinquent.

CHAPTER 167

An act to add Section 230.3 to the Labor Code, relating to firefighters.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 230.3 is added to the Labor Code, to read:

230.3. (a) No employer shall discharge or in any manner discriminate against an employee for taking time off to perform emergency duty as a volunteer firefighter.

(b) Any employee who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because the employee has taken time off to perform emergency duty as a volunteer firefighter shall be entitled to reinstatement and reimbursement for lost wages and work benefits caused by the acts of the employer. Any employer who willfully refuses to rehire, promote, or otherwise restore an employee or former employee who

has been determined to be eligible for rehiring or promotion by a grievance procedure, arbitration, or hearing authorized by law, is guilty of a misdemeanor.

(c) Subdivisions (a) and (b) of this section shall not apply to any public safety agency or provider of emergency medical services when, as determined by the employer, the employee's absence would hinder the availability of public safety or emergency medical services.

(d) For purposes of this section, "volunteer firefighter" shall have the same meaning as the term "volunteer" in subdivision (m) of Section 50952 of the Government Code.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 168

An act to add Section 19133 to the Government Code, relating to state government.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989].

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that it is the policy of the State of California to do all of the following:

(a) To provide coordinated work-study experiences to the postsecondary education students of California.

(b) To have students provide services to the state departments in a manner consistent with short-term departmental needs.

(c) To provide student employment opportunities to minority, female, and disabled students in career fields where they have been traditionally underrepresented.

SEC. 2. Section 19133 is added to the Government Code, to read:

19133. (a) Any state agency may enter into an agreement with any public or private institution of higher education in California, nonprofit campus foundation, or state higher education foundation to provide part-time employment to students attending a public or private institution of higher education that contracts with the state agency, or to students attending a public or private institution which

is affiliated with a nonprofit campus foundation, or a state higher education foundation, that contracts with a state agency, in work related to the field of study of the student.

(b) Notwithstanding any other provision of law to the contrary, no student employed pursuant to this section shall do any of the following:

(1) Accrue state civil service status.

(2) Be employed for more than 194 days in the 365 days following the initial date of employment.

(3) Cause the displacement of civil service employees.

(c) "Displacement," for the purposes of this section, includes layoffs, demotions, involuntary transfers to a new class, involuntary transfers to a new location requiring a change of residence, and time-based reductions. "Displacement," for the purposes of this section, shall not include changes in shifts or days off nor shall it include reassignment to other positions within the same class and general location.

CHAPTER 169

An act to amend Section 19995.4 of the Government Code, relating to state employees.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19995.4 of the Government Code is amended to read:

19995.4. (a) The department shall devise plans for, and cooperate with appointing powers in the conduct of, supervisorial employee training programs so that the quality of supervisorial services rendered by persons in those positions may be continually improved.

(b) Each supervisorial employee, upon the employee's initial appointment to a designated supervisory position, shall be provided a minimum of 80 hours of training, at least 40 hours of which shall be structured and be provided by a qualified instructor. The training shall consist of the role of the supervisor, techniques of supervision, planning, organizing, staffing and controlling, performance standards, performance appraisal, affirmative action, discipline, labor relations, and grievances. Every supervisor shall have access to a copy of each bargaining agreement covering the employees he or she supervises. The additional 40 hours of training may be provided on-the-job by a qualified higher level supervisor or manager.

(c) The entire 80 hours of training shall be completed within the term of the probationary period or within 12 months of appointment

to a supervisorial classification. The training shall be completed within the term of the probationary period unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during the probationary period due to the limited availability of training courses.

CHAPTER 170

An act to amend Sections 54999.1, 66003, and 66006 of the Government Code, relating to developer fees.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 54999.1 of the Government Code is amended to read:

54999.1. For purposes of this chapter:

(a) "Actual construction costs" includes the cost of all activities necessary or incidental to the construction of a public utility facility, such as financing, planning, designing, acquisition of property or interests in property, construction, reconstruction, and rehabilitation.

(b) "Capital facilities fee" or "capacity charge" means any nondiscriminatory charge to pay the capital cost of a public utility facility.

(c) "Public agency" means the United States or any of its agencies, the state or any of its agencies, the Regents of the University of California, a county, a city, a district, a public authority, or any other political subdivision or public corporation of this state.

(d) "Public utility facility" means a facility for the provision of water, light, heat, communications, power, or garbage service, for flood control, drainage or sanitary purposes, or for sewage collection, treatment, or disposal.

(e) "Public utility service" means service provided from a public utilities facility.

(f) "Nondiscriminatory" means that the capital facilities fee does not exceed an amount determined on the basis of the same objective criteria and methodology applicable to comparable nonpublic users, and is not in excess of the proportionate share of the cost of the public utility facilities of benefit to the person or property being charged, based upon the proportionate share of use of those facilities.

(g) "State agency" or "state" means any state office, department, division, bureau, board, or commission.

(h) A capital facilities fee is imposed on the date on which the statement of charges for a public utility service is mailed or otherwise transmitted to the public agency that is receiving or will receive the

public utility's service.

SEC. 2. Section 66003 of the Government Code is amended to read:

66003. Sections 66001 and 66002 do not apply to a fee imposed pursuant to a reimbursement agreement by and between a local agency and a property owner or developer for that portion of the cost of a public facility paid by the property owner or developer which exceeds the need for the public facility attributable to and reasonably related to the development. This chapter shall become operative on January 1, 1989.

SEC. 3. Section 66006 of the Government Code is amended to read:

66006. (a) If a local agency requires the payment of a fee specified in subdivision (c) in connection with the approval of a development project, the local agency receiving the fee shall deposit it with the other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected. Any interest income earned by moneys in the capital facilities account or fund shall also be deposited in that account or fund and shall be expended only for the purpose for which the fee was originally collected.

(b) For each separate account or fund established pursuant to subdivision (a), the local agency shall, within 60 days of the close of each fiscal year, make available to the public the beginning and ending balance for the fiscal year and the fee, interest, and other income and the amount of expenditure by public facility and the amount of refunds made pursuant to subdivision (e) of Section 66001 during the fiscal year. The local agency shall review this information at the next regularly scheduled public meeting not less than 15 days after the availability of the information required by this subdivision.

(c) For purposes of this section, "fee" means any fee imposed to provide for an improvement to be constructed to serve a development project, or which is a fee within the meaning of subdivision (b) of Section 66000, and that is imposed by the local agency as a condition of approving the development project.

(d) Any person may request an audit of any local agency fee or charge that is subject to Section 54997, including fees or charges of school districts, in accordance with that section.

(e) The Legislature finds and declares that untimely or improper allocation of development fees hinders economic growth and is, therefore, a matter of statewide interest and concern. It is, therefore, the intent of the Legislature that subdivision (a) shall supersede all conflicting local laws and shall apply in charter cities.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level

of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 171

An act to amend Section 1102.6 of, and to add Section 1102.6a to, the Civil Code, relating to real property.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1102.6 of the Civil Code is amended to read:

1102.6. The disclosures required by this article pertaining to the property proposed to be transferred are set forth in, and shall be made on a copy of, the following disclosure form:

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF_____, COUNTY OF_____, STATE OF CALIFORNIA, DESCRIBED AS_____. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF_____, 19___. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I

COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property)

Substituted Disclosures: The following disclosures have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:_____

_____

_____

_____

(list all substituted disclosure forms to be used in connection with this transaction)

II

SELLERS INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller __is __is not occupying the property.

A. The subject property has the items checked below (read across):

__Range	__Oven	__Microwave
__Dishwasher	__Trash Compactor	__Garbage Disposal
__Washer/Dryer Hookups	__Window Screens	__Rain Gutters
__Burglar Alarms	__Smoke Detector(s)	__Fire Alarm
__T.V. Antenna	__Satellite Dish	__Intercom
__Central Heating	__Central Air Cndtng.	__Evaporator Cooler(s)
__Wall/Window Air Cndtng.	__Sprinklers	__Public Sewer System
__Septic Tank	__Sump Pump	__Water Softener
__Patio/Decking	__Built-in Barbeque	__Gazebo
__Sauna	__Pool	__Spa __Hot Tub
__Security Gate(s)	__Garage Door Opener(s)	__Number Remote Controls
Garage: __Attached	__Not Attached	__Carport
Pool/Spa Heater: __Gas	__Solar	__Electric
Water Heater: __Gas		__Private Utility or
Water Supply: __City	__Well	Other _____
Gas Supply: __Utility	__Bottled	

Exhaust Fan(s) in _____ 220 Volt Wiring in _____ Fireplace(s) in _____
Gas Starter_____ Roof(s). Type: _____ Age: _____ (approx.)
Other: _____

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? __Yes __No. If yes, then describe.

(Attach additional sheets if necessary):_____
_____
_____
_____

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? __Yes __No If yes, check appropriate space(s) below.

__Interior Walls __Ceilings __Floors __Exterior Walls __Insulation __Roof(s)
__Windows __Doors __Foundation __Slab(s) __Driveways __Sidewalks
__Walls/Fences __Electrical Systems __Plumbing/Sewers/Septics __Other Structural Components (Describe:_____
_____)

If any of the above is checked, explain. (Attach additional sheets if necessary):___
_____
_____
_____

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the subject property ..... __Yes __No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property..... __Yes __No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property..... __Yes __No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits..... __Yes __No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes..... __Yes __No
6. Landfill (compacted or otherwise) on the property or any portion thereof .. __Yes __No
7. Any settling from any cause, or slippage, sliding, or other soil problems..... __Yes __No
8. Flooding, drainage or grading problems..... __Yes __No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides..... __Yes __No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements .. __Yes __No
11. Neighborhood noise problems or other nuisances..... __Yes __No
12. CC&R's or other deed restrictions or obligations ..... __Yes __No
13. Homeowners' Association which has any authority over the subject property..... __Yes __No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)..... __Yes __No
15. Any notices of abatement or citations against the property..... __Yes __No
16. Any lawsuits against the seller threatening to or affecting this real property..... __Yes __No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.): _____

_____

_____

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller _____ Date _____

Seller _____ Date _____

III

AGENTS INSPECTION DISCLOSURE

(To be completed only if the seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

_____

_____

_____

_____

Agent (Broker Representing Seller)_____ By_____ Date_____
(Please Print) (Associate Licensee or Broker-Signature)

IV

AGENTS INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

_____

_____

_____

_____

Agent (Broker obtaining the Offer)_____ By_____ Date_____
(Please Print) (Associate Licensee or Broker-Signature)

V

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller_____ Date_____ Buyer_____ Date_____
Seller_____ Date_____ Buyer_____ Date_____

Agent (Broker Representing Seller)_____ By_____ Date_____
(Associate Licensee or Broker-Signature)

Agent (Broker obtaining the Offer)_____ By_____ Date_____
(Associate Licensee or Broker-Signature)

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

SEC. 2. Section 1102.6a is added to the Civil Code, to read:

1102.6a. (a) On and after July 1, 1990, any city or county may elect to require disclosures on the form set forth in subdivision (b) in addition to those disclosures required by Section 1102.6. However, this section does not affect or limit the authority of a city or county to require disclosures on a different disclosure form in connection with transactions subject to this article pursuant to an ordinance adopted prior to July 1, 1990. Such an ordinance adopted prior to July 1, 1990, may be amended thereafter to revise the disclosure requirements of the ordinance, in the discretion of the city council or county board of supervisors.

(b) Disclosures required pursuant to this section pertaining to the property proposed to be transferred, shall be set forth in, and shall be made on a copy of, the following disclosure form:

LOCAL OPTION

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF_____, COUNTY OF_____, STATE OF CALIFORNIA, DESCRIBED AS_____. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH ORDINANCE NO. _____ OF THE_____CITY OR COUNTY CODE AS OF_____, 19___. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I

SELLERS INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AS REQUIRED BY THE CITY OR COUNTY OF _____. AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY, THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

1. _____

_____

_____

_____

2. _____

_____

_____

_____

(Example: Adjacent land is zoned for timber production which may be subject to harvest.)

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller _____ Date _____

Seller _____ Date _____

II

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller _____ Date _____ Buyer _____ Date _____

Seller _____ Date _____ Buyer _____ Date _____

Agent (Broker Representing Seller) _____ By _____ Date _____
(Associate Licensee or Broker-Signature)

Agent (Broker Obtaining the Offer) _____ By _____ Date _____
(Associate Licensee or Broker-Signature)

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

(c) This section does not preclude the use of addenda to the form specified in subdivision (b) to facilitate the required disclosures. This section does not preclude a city or county from using the disclosure form specified in subdivision (b) for a purpose other than that specified in this section.

CHAPTER 172

An act to amend Sections 18353, 18357, and 18415 of, and to repeal and add Section 18360 of, the Financial Code, relating to industrial loan companies.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 18353 of the Financial Code is amended to read:

18353. If an industrial loan company fails to pay the assessment provided in Section 18350 on or before the 30th day of December following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to that company. If, after such an order is made, a request for hearing is filed in writing within 15 days from the date of service of the order and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when its certificate is revoked or suspended, a company shall not issue thrift certificates or make loans or otherwise conduct business pursuant to this division except as may be permitted by order of the commissioner; provided, however, that neither the revocation, suspension or surrender of a certificate shall affect the powers of the commissioner as provided in this division.

This section shall become operative January 1, 1969. For the purpose of making its provisions operative, the commissioner shall issue to all industrial loan companies authorized to conduct business under this division on said date a certificate of authorization to conduct business pursuant to this division in such form as the commissioner may prescribe and as provided in Section 18101 and thereafter all such companies shall be conclusively presumed to be conducting business under this division pursuant to such certificate of authorization.

SEC. 2. Section 18357 of the Financial Code is amended to read:

18357. (a) If it appears to the commissioner that an industrial loan company has violated or failed to comply with the provisions of its articles of incorporation, or with any law of this state, the commissioner may by written order addressed to the company, direct that company to discontinue the violation and to comply with

the law.

(b) Whenever it appears from the report of an industrial loan company or the commissioner has reason to conclude, that the capital stock of an industrial loan company is impaired or reduced below the amount required by this division, the commissioner shall by written order addressed to the company, direct that company to make good the alleged deficiency or impairment of capital. If the company fails to make good the alleged deficiency or impairment of capital, the commissioner may forthwith take possession of the property and business of the industrial loan company pursuant to Section 18415. If the company fails to make good the alleged deficiency or impairment of capital within 60 days of the date of the order, the commissioner shall take possession of the industrial loan company pursuant to Section 18415. The capital of an industrial loan company is impaired when the minimum amount of capital required by Sections 18130 and 18131 is reduced by a net deficit balance in the company's surplus account.

SEC. 3. Section 18360 of the Financial Code is repealed.

SEC. 4. Section 18360 is added to the Financial Code, to read:

18360. The company named in any order issued pursuant to this division for which no express hearing right is provided, including Sections 18356, 18357, 18358, 18359, 18363, and 18415.3 may, within 15 days after receipt thereof, file with the commissioner its written request for hearing. The filing of that request shall not operate to postpone or suspend the effectiveness of any order issued by the commissioner unless otherwise directed by the commissioner. The order may be amended or set aside by the commissioner at any time. The commissioner shall, within 30 business days after the receipt of that written request or at a later time as may be mutually agreed with the company, cause that matter to be heard. Except as otherwise provided in this division, whenever a hearing is required or granted by this section, the proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

SEC. 5. Section 18415 of the Financial Code is amended to read:

18415. The commissioner may take possession of the property and business of any industrial loan company and retain possession until the company resumes business or its affairs are liquidated if any of the following grounds exist:

(a) The capital of an industrial loan company is impaired.

(b) An industrial loan company has violated its articles of incorporation or any law of this state.

(c) An industrial loan company is conducting its business in an unsafe or unauthorized manner.

(d) An industrial loan company refuses to submit its books, papers and affairs to the inspection of any examiner.

(e) An officer of any industrial loan company refuses to be examined upon oath touching the concerns of such industrial loan

company.

(f) An industrial loan company has suspended payment of its obligations.

(g) An industrial loan company is in such condition that it is unsound or unsafe for it to transact business.

(h) An industrial loan company neglects or refuses to observe any order of the commissioner made pursuant to this division, unless the enforcement of that order is restrained in a proceeding brought by the industrial loan company.

(i) An industrial loan company fails to participate as a member of Thrift Guaranty Corporation of California in accordance with Chapter 7 (commencing with Section 18475) or fails to pay any assessment levied pursuant thereto within the time specified.

(j) A member industrial loan company of Guaranty Corporation refuses to permit Guaranty Corporation, its appointed certified public accountant or public accountant, or specialized committees or employees to fulfill their duties under Section 18496.

(k) An industrial loan company has sold or issued investment certificates in violation of the provisions of this division.

(*l*) An industrial loan company has failed to maintain in effect a bond required under the provisions of this division.

(m) Any fact or condition exists which, if it had existed at the time of the original application for authority to organize and establish a corporation to engage in the industrial loan business reasonably would have warranted the commissioner in disapproving the application.

(n) An application for membership in the Federal Deposit Insurance Corporation has not been filed with and accepted by the Federal Deposit Insurance Corporation on or before January 15, 1990.

If the commissioner takes possession of the business and property of an industrial loan company, the company, with the consent of the commissioner, may resume business upon prescribed conditions.

CHAPTER 173

An act to amend Section 4709 of the Labor Code, relating to workers' compensation.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4709 of the Labor Code is amended to read:

4709. (a) Notwithstanding any other provisions of law to the contrary, each dependent of any chief of police, police officer, sheriff, deputy sheriff, marshal or deputy marshal of the municipal courts, or

member of the California Highway Patrol who is killed in the performance of duty or who dies or is totally disabled as a result of an accident or an injury caused by external violence or physical force, incurred in the performance of duty, when the death, accident, or injury is compensable under this division or Division 4.5 (commencing with Section 6100) shall be entitled to a scholarship at any one of the institutions of collegiate grade located in California if the institution offers a two-year junior college or four-year college course and is accredited or is a candidate for accreditation by the Western Association of Schools and Colleges. The scholarship is to include payment of tuition and fees, monthly allowance, books, and supplies. If the dependent attends a four-year college or university, the scholarship award shall not exceed six thousand dollars ($6,000) over a period not to exceed six years, with a maximum of one thousand five hundred dollars ($1,500) per year if he or she has demonstrated his or her financial need for the scholarship. If the dependent attends a community college, the scholarship award shall not exceed five hundred dollars ($500) per year for a period not to exceed four years. This shall not preclude any other benefits provided by law.

(b) Each dependent of an officer or employee of the Department of Corrections or the Department of Youth Authority described in Section 20017.77 of the Government Code who is killed in the performance of duty, or who dies or is totally disabled as a result of an accident or an injury incurred in the performance of duty, when the death, accident, or injury is caused by the direct action of an inmate, and is compensable under this division or Division 4.5 (commencing with Section 6100), shall also be entitled to a scholarship specified in this section.

(c) Notwithstanding any other provisions of law to the contrary, each dependent of any firefighter employed by counties, cities, cities and counties, districts and other political subdivisions of the state, who is killed in the performance of duty or who dies or is totally disabled as a result of an accident or injury incurred in the performance of duty, when the death, accident, or injury is compensable under this division or Division 4.5 (commencing with Section 6100), shall also be entitled to a scholarship specified in this section.

(d) Nothing in this section shall be interpreted to allow the admittance of the dependent into a college or university unless the dependent is otherwise qualified to gain admittance to the college or university.

(e) The scholarship provided for by this section shall be paid out of funds annually appropriated in the Budget Act to the Student Aid Commission established by Article 2 (commencing with Section 69510) of Chapter 2 of Part 42 of the Education Code.

As used in this section, "dependent" means the children (natural or adopted) or spouse, at the time of the death or injury, of the peace officer, law enforcement officer, or firefighter.

CHAPTER 174

An act to add Section 8226 to the Fish and Game Code, relating to commercial fishing.

[Approved by Governor July 19, 1989. Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8226 is added to the Fish and Game Code, to read:

8226. Notwithstanding any measurement requirements under this code, and to implement the department's salmon tagging program, any person in possession of a salmon with a missing adipose fin, the small, fleshy fin on the back of the fish between the back fin and the tail, shall, upon request by an authorized agent or employee of the department, immediately relinquish the head of the salmon to the state, at no charge, for recovery of any coded-wire tag. The head may be removed by the fish owner or, if removed by the official department representative, the head shall be removed in a manner to minimize loss of salmon flesh and the salmon shall immediately be returned to the rightful owner.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 175

An act to amend and repeal Section 5551.1 of the Business and Professions Code, relating to architecture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5551.1 of the Business and Professions Code, as amended by Section 1 of Chapter 321 of the Statutes of 1988, is amended to read:

5551.1. Individuals licensed as architects in jurisdictions other than California may be granted reciprocal licensure by the board upon satisfaction of the board's requirements for licensure.

SEC. 2. Section 5551.1 of the Business and Professions Code, as added by Section 2 of Chapter 321 of the Statutes of 1988, is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that California law may be changed so it does not adversely affect new residents of this state applying for licensure as architects, it is necessary that this act go into immediate effect.

CHAPTER 176

An act to amend Section 5101.8 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5101.8 of the Vehicle Code is amended to read:

5101.8. (a) Any person otherwise eligible under this article who is a Purple Heart recipient may apply for special license plates for vehicles which are not used for transportation for hire, compensation, or profit, under this article. The special plates assigned to the vehicle shall run in a separate numerical series, shall have inscribed on the plate the Purple Heart insignia, and shall contain the words "Combat Wounded" and "Purple Heart" or at least the letters "PH" as part of the numerical series. The department shall reserve and issue the special plates to all applicants providing the proof required by subdivision (b).

(b) The applicant shall, by satisfactory proof, show that the applicant is a Purple Heart recipient.

(c) Special plates may be issued pursuant to subdivision (a) only for a vehicle owned or coowned by a Purple Heart recipient and may not be transferred to any other person, including the coowner of the vehicle. The special plates shall be surrendered to the department upon the decease of the Purple Heart recipient.

(d) In addition to the regular fees for an original or renewal registration, a fee sufficient to cover all costs of this program shall be paid. An applicant for the Purple Heart license plate who qualifies as a disabled veteran, as defined in subdivision (a) of Section 22511.9, shall be issued the Purple Heart license plates for one vehicle

without additional fees if the applicant chooses to display those plates on that vehicle rather than the plates described in Section 22511.9.

(e) When an applicant for the Purple Heart license plate qualifies as a disabled veteran as defined in subdivision (a) of Section 22511.9, the applicant may also apply for a distinguishing placard described in subdivision (d) of Section 22511.9 to be used in conjunction with the Purple Heart license plate for the purpose of allowing special parking privileges pursuant to subdivision (b) of Section 22511.9.

(f) Sections 5106 and 5108 do not apply.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the benefits of this act to be made available as quickly as possible, it is necessary that it take effect immediately.

CHAPTER 177

An act to amend Section 7008 of the Education Code and to amend Sections 11126 and 20233 of the Government Code, relating to public employees.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7008 of the Education Code is amended to read:

7008. (a) Notwithstanding any other provision of law, a member of the State Teachers' Retirement System who is disabled as a result of an injury that is a direct consequence of a violent act perpetrated on his or her person while performing duties in the scope of employment, and the employment is creditable under the provisions of the State Teachers' Retirement Law (Part 13 (commencing with Section 22000)), may, upon qualifying for a disability under Section 23902 and while receiving an allowance under Section 23903, continue in the district's health care plan and dental care plan, by paying all of the employer's and employee's premiums and all of the related administrative costs of the employer.

(b) Notwithstanding any other provision of law, a school member as defined in Section 20013 of the Government Code, or a local policeman as defined in Section 20020.8 of the Government Code, who is disabled as a result of an injury that is a direct consequence of a violent act perpetrated on his or her person while performing duties in the scope of employment, and the employment is creditable under the Public Employees' Retirement Law (Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code),

may, upon qualifying for a disability and while receiving an allowance under Chapter 8 (commencing with Section 20950) of Part 3 of Division 5 of Title 2 of the Government Code, continue in the employer's health care plan and dental care plan, by paying all of the employer's and employee's premiums and all of the related administrative costs of the employer.

(c) Subdivisions (a) and (b) do not apply to any member who is employed by a school district which contracts with the Public Employees' Retirement System for health care coverage under the Public Employees' Medical and Health Care Act, (Part 5 (commencing with Section 22751) of Division 5 of Title 2 of the Government Code).

SEC. 2. Section 11126 of the Government Code is amended to read:

11126. (a) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing. As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void. The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body. Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

For the purposes of this section, "employee" shall not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees.

(b) Nothing in this article shall be construed to prevent state bodies which administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(c) Nothing in this article shall be construed to prevent an advisory body of a state body which administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters which the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the

members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(d) Nothing in this article shall be construed to prohibit a state body from holding a closed session to deliberate on a decision to be reached based upon evidence introduced in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 or similar provisions of law.

(e) Nothing in this article shall be construed to prevent any state body from holding a closed session to consider matters affecting the national security.

(f) Nothing in this article shall be construed to grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(g) Nothing in this article shall be construed to prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests which the donor or proposed donor has requested in writing to be kept confidential.

(h) Nothing in this article shall be construed to prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(i) Nothing in this article shall be construed to prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate.

For purposes of this subdivision, the negotiator may be a member of the state body.

For purposes of this subdivision, "lease" includes renewal or renegotiation of a lease.

Nothing in this subdivision shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (q).

(j) Nothing in this article shall be construed to prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or

termination of the Director of the California Postsecondary Education Commission.

(k) Nothing in this article shall be construed to prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or data the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the executive officer of the Franchise Tax Board.

(*l*) Nothing in this article shall be construed to prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(m) Nothing in this article shall be construed to prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(n) Nothing in this article shall be construed to prevent a state body which invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues which could have a material effect on the net income of the corporation. For the purpose of real property investment decisions which may be considered in a closed session pursuant to this subdivision, a state body shall also be exempt from the provision of subdivision (i) relating to the identification of real properties prior to the closed session.

(o) Nothing in this article shall be construed to prevent a state body, or such boards, commissions, administrative officers, or other representatives as may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(p) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against regulated utilities.

(q) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session

concerning those matters would prejudice the position of the state body in the litigation.

For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(1) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(2) (A) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body; or

(B) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to subparagraph (A).

(3) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to paragraph (2) or (3), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.1.

For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(r) Nothing in this article shall be construed to prevent the examining committee established by the State Board of Forestry, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(s) Nothing in this article shall be construed to prevent an administrative committee established by the State Board of Accountancy pursuant to Section 5020 or 5020.3 of the Business and

Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

(t) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.2, from conducting a closed session to consider any matter which properly could be considered in closed session by the state body whose authority it exercises.

(u) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.7, from conducting a closed session to consider any matter which properly could be considered in a closed session by the body defined as a state body pursuant to Section 11121, 11121.2, or 11121.5.

(v) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.8, from conducting a closed session to consider any matter which properly could be considered in a closed session by the state body it advises.

(w) Nothing in this article shall be construed to prevent the State Board of Equalization from holding closed sessions for either of the following:

(1) When considering matters pertaining to the appointment or removal of the executive secretary of the State Board of Equalization.

(2) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(x) Nothing in this article shall be construed to prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor pursuant to Section 8590 concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions

(y) This article shall not prevent the Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the chief investment officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

SEC. 3. Section 20233 of the Government Code is amended to read:

20233. The board shall annually employ a certified public accountant, who is not in public employment, to audit the financial statements of the Public Employees' Retirement System. The term for which the board may contract to employ a certified public

accountant shall not exceed five years. The board shall not contract to employ the same certified public accountant for two consecutive five-year terms. The costs of the audit shall be paid from the income of the retirement fund. The audit shall be made annually commencing with the year ending June 30, 1974. The board shall file a copy of the audit report with the Governor, the Secretary of the Senate, and the Chief Clerk of the Assembly.

The board, for purposes of Section 7504, may file internally prepared financial statements with the Controller within six months of the end of the fiscal year, and shall file independently audited financial statements as soon as they are available.

The audits shall not be duplicated by the Department of Finance or the Auditor General. The system shall be exempt from a pro rata general administrative charge for auditing.

CHAPTER 178

An act to amend Section 18062 of, and to repeal Section 18062.1 of, the Financial Code, relating to industrial loan companies.

[Approved by Governor July 19, 1989. Filed with Secretary of State July 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 18062 of the Financial Code is amended to read:

18062. An industrial loan company shall not use any advertisement after its use has been disapproved by the commissioner and the industrial loan company has been notified in writing of the disapproval. Commencing July 1, 1990, the commissioner may require a company to obtain written or oral approval of any advertisement for investment or thrift certificates prior to publication thereof in order to avoid false, misleading, or deceptive advertisting.

SEC. 2. Section 18062.1 of the Financial Code is repealed.

SEC. 3. Section 2 of this act shall become operative July 1, 1990, unless a later enacted statute amends or repeals that section.

CHAPTER 179

An act to amend Section 12070 of the Penal Code, relating to firearms.

[Approved by Governor July 19, 1989. Filed with Secretary of State July 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 12070 of the Penal Code is amended to read:

12070. No person shall engage in the business of selling, leasing, transferring, advertising, offering, or exposing for sale, lease, or transfer, any pistol, revolver, or other firearm capable of being concealed upon the person unless he or she has been issued a license pursuant to Section 12071. Any person violating this section is guilty of a misdemeanor.

As used in this article, engaging in the business of selling, leasing, or transferring any pistol, revolver, or other firearm capable of being concealed upon the person does not include any of the following:

(a) The sale, lease, or transfer of any pistol, revolver, or other firearm capable of being concealed upon the person by a person acting pursuant to a court order under the Enforcement of Judgments Law (Title 9 (commencing with Section 680.010) of Part 2 of the Code of Civil Procedure) or by a person who liquidates a personal firearm collection to satisfy a court judgment.

(b) The sale, lease, or transfer of any pistol, revolver, or other firearm capable of being concealed upon the person by a person acting pursuant to subdivision (c) of Section 12028.

(c) The sale, lease, or transfer of any pistol, revolver, or other firearm capable of being concealed upon the person by a person who obtains title to the firearm by intestate succession or by bequest, provided the person disposes of the firearm within 60 days of receipt of the firearm.

(d) The infrequent sale, lease, or transfer, offering, exposing for sale, lease, or transfer, or advertising for sale, lease, or transfer any pistol, revolver, or other firearm capable of being concealed upon the person.

As used in this section, "infrequent" means occasional and without regularity; and in no event shall "infrequent" mean more than five transactions per calendar year. For these purposes, "transaction" means a single sale, lease, or transfer of any number of pistols, revolvers, or other firearms capable of being concealed upon the person.

CHAPTER 180

An act to amend Sections 1050 and 1052 of the Fish and Game Code, relating to fish and game, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1989 Filed with Secretary of State July 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1050 of the Fish and Game Code is amended to read:

1050. (a) All licenses, certificates, permits, and license tags authorized by this code shall be prepared and issued by the department.

(b) The commission shall determine the form of all licenses, license tags, and certificates and the method of carrying and displaying all licenses, and may require and prescribe the form of applications therefor, and the form of any contrivance to be used in connection therewith.

(c) Whenever under any of the provisions of this code a permit, certificate, license, license tag, reservation, or application is provided for, the commission shall, in accordance with the provisions, prescribe the terms and conditions under which the permit, certificate, license, license tag, reservation, or application shall be issued and the department shall issue the permit, certificate, license, license tag, reservation, or application in accordance therewith and with the applicable provisions of law.

(d) Whenever this code does not specify whether a fee is to be collected, or does not specify the amount of a fee to be collected for the issuance of any license, license tag, certificate, permit, application, reservation, or other entitlement, the commission may establish a fee or the amount thereof by regulation. The commission may also provide for the change in the amount of the fee in accordance with Section 713. However, no fee may exceed the reasonable costs incurred by the department in implementing and administering the program or activity to which the license, license tag, certificate, permit, application, reservation, or other entitlement is related.

SEC. 2. Section 1052 of the Fish and Game Code is amended to read:

1052. It is unlawful for any person to do any of the following:

(a) Transfer any license, license tag, license stamp, permit, application, or reservation.

(b) Use, or possess any license, license tag, license stamp, permit, application, or reservation which was not lawfully issued to the user thereof or which was obtained by fraud, deceit, or the use of a fake or counterfeit application form.

under this section are designated as "unclaimed tickets" and shall be distributed in accordance with this chapter.

SEC. 3. Section 19602 of the Business and Professions Code is amended to read:

19602. (a) Notwithstanding any other provision of law, any racing association in this state may authorize betting systems located outside of this state to accept wagers on a race or races conducted by that association and may transmit live audio visual signals of the race or races and their results to these betting systems, except that any authorization is subject to applicable federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(b) Any racing association described in subdivision (a), when it authorizes betting systems located outside of this state to accept wagers on a race shall pay a license fee to the state in an amount equal to 10 percent of the total amount received by the association from the out-of-state betting system. However, if the out-of-state betting system is a parimutuel betting system, the association shall pay to the state either 10 percent of the total amount received by the association or one-half of 1 percent of the handle, whichever is greater. The remaining amount received by the association shall be distributed to the association which conducts the racing meeting and to horsemen participating in that racing meeting as follows: 50 percent to the association as commissions and 50 percent to the horsemen as purses.

(c) With permission of the board, wagers accepted by betting systems located outside of this state may be, but are not required to be, included in the parimutuel pool of the association which conducts the racing meeting in this state. If the wagers accepted by betting systems located outside of this state are included in the parimutuel pool of the association which conducts the racing meeting in this state, the betting system located outside of this state shall, if permissible under applicable law, deduct from the total amount handled in each conventional and exotic parimutuel pool the same total percentages deducted pursuant to Article 9.5 (commencing with Section 19610) by the association which conducts the racing meeting in this state. If the laws of the jurisdiction in which the betting system is located do not permit the betting system to deduct the same percentages as are deducted by the association which conducts the racing, the board may, nonetheless, permit the inclusion of those out-of-state wagers in the association's parimutuel pool if the board determines it to be in the public interest of this state to do so.

(d) If wagers accepted by an association conducting racing within the state and wagers accepted by a betting system located outside of the state are combined in one parimutuel pool and the association and the betting system both deduct the same total percentages as set forth in subdivision (c), the breakage shall be allocated among the association and the betting system on the basis of funds handled.

Each shall be allocated a percentage of breakage equal to the amount of funds handled by the association or betting system, respectively, divided by the total amount of the funds included in the parimutuel pool.

(e) If wagers accepted by an association conducting racing within the state are combined in one parimutuel pool with wagers accepted by a betting system located outside the state and the association and the betting system deduct different percentages from the amount handled in the parimutuel pool, a preliminary determination as to payments to be made on winning tickets shall be made using the lower of the two percentages, and funds for payment of winning tickets shall be allocated between the association and the betting system on the basis of that computation. Breakage resulting from that determination shall be allocated between the association and the betting system as provided in subdivision (d). The entity deducting the lower percentage shall pay winning tickets on the basis of this computation. The entity deducting the higher percentage shall deduct the additional amount from the funds allocated to it by the preliminary computation and recompute payments to be made on winning tickets on that basis. Any additional breakage generated by that recomputation shall be allocated to that entity and, if the entity is an association conducting racing in this state, that additional breakage shall be distributed as provided under subdivision (f).

(f) Breakage allocated pursuant to this section to an association conducting racing within this state shall be distributed in the same manner as would be breakage arising from wagers at the association in the absence of a combined parimutuel pool. This section does not apply to the disposition of breakage allocated to the betting system located outside of the state.

(g) A betting system shall allow the same period of time for presentation of winning tickets or claims relating to those tickets as is allowed by the association conducting racing under this chapter. If the laws of the jurisdiction in which the betting system is located require a longer period of time for presentation of tickets or claims, wagers accepted by that system may not be included in the parimutuel pool of the association.

(h) If wagers accepted by a betting system located outside of this state are included in the parimutuel pool of an association conducting racing in this state, funds in the parimutuel pool attributable to unclaimed tickets relating to wagers accepted by the association conducting racing within the state shall be distributed in the same manner as unclaimed tickets relating to wagers accepted by that association in the absence of a combined parimutuel pool. Funds in the parimutuel pool attributable to unclaimed tickets related to wagers accepted by the betting system located outside of this state shall be allocated to that betting system, and this section does not otherwise apply to the disposition of those funds at that location outside of the state.

SEC. 4. Section 19616 of the Business and Professions Code is

amended to read:

19616. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state feature races pursuant to Section 19596, but not included in the parimutuel pool or pools if the entity conducting the out-of-state racing, shall be placed in a separate parimutuel pool or pools and shall be distributed as provided by this section.

(b) Each association accepting wagers on an out-of-state feature race shall deduct a percentage of the amount handled in its conventional and exotic parimutuel pools which is equal to the percentage deducted from the amount handled by the association in its parimutuel pools at its racing meeting.

(c) Each association shall pay a state license fee at the rate or rates applicable to the races of the association's racing program for the day on which the out-of-state feature race is offered. If the association does not conduct a regular racing program on that day of the meeting, the state license fee shall be paid at the rate or rates applicable to the most immediate prior day of the racing program.

(d) Breakage and unclaimed tickets on out-of-state feature races shall be distributed 50 percent as commissions and 50 percent as purses.

(e) The amount remaining from the deduction under subdivision (b), after payment of the state license fee and the contractual payment to the out-of-state host racing association, shall be distributed 50 percent as commissions and 50 percent as purses.

(f) From the amount distributed under subdivision (e) for thoroughbred, quarter horse, and Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California-breds winning at the meeting. The sum shall be deposited within 10 days of the close of the meeting with the officially recognized organizations representing the respective breeds. After deduction of expenses, not to exceed 5 percent, and approval of all the deductions by the board, the fund shall be distributed on a prorated percentage basis of first moneys earned to persons owning California-bred racehorses at the time of their wins in accordance with subdivision (b) of Section 19612.2 and subdivision (c) of Section 19617.

SEC. 5. Section 19616.1 is added to the Business and Professions Code, to read:

19616.1. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state feature races pursuant to Section 19596 and included in the parimutuel pool or pools of the entity conducting the out-of-state racing shall be distributed as provided in this section.

(b) From the amount handled by the association and included in the parimutuel pool or pools of the entity conducting the out-of-state racing, each association shall deduct a percentage equal to the percentage deducted from the amount handled by the association in its parimutuel pools at its racing meeting.

(c) From the amount deducted pursuant to subdivision (b), each association shall pay a state license fee at the rate or rates applicable

to the races of the association's racing program for the day on which the out-of-state feature is offered.

(d) Breakage and unclaimed tickets on out-of-state feature races shall be distributed 50 percent as commission and 50 percent as purses.

(e) The amount remaining from the deduction under subdivision (b), after payment of the state license fee and the contractual payment to the out-of-state host racing association, shall be distributed 50 percent as commissions and 50 percent as purses.

(f) From the amount distributed under subdivision (e) for thoroughbred, quarter horse, and Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California-breds winning at the meeting. The sum shall be deposited within 10 days of the close of the meeting with the officially recognized organization representing the respective breeds. After deduction of expenses, not to exceed 5 percent, and approval of all the deductions by the board, the funds shall be distributed on a prorated percentage basis of first moneys earned to persons owning California-bred racehorses at the time of their wins in accordance with subdivision (b) of Section 19612.2 and subdivision (c) of Section 19617.

CHAPTER 182

An act to amend Sections 17911.5 and 17912.2 of, to repeal and add Sections 17911.4 and 17911.6 to, and to add Sections 17910.2 and 17911.7 to, the Education Code, relating to schoolbuses, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17910.2 is added to the Education Code, to read:

17910.2. The Legislature finds and declares that there are many schoolbuses operating in this state which are not fuel efficient and do not meet current federal standards of safety, and that ensuring the safety of schoolbus transportation is a matter of the highest importance. It is, therefore, the intent of the Legislature, in enacting this part, to create a program for the purchase of new schoolbuses which meet federal safety standards and operate with greater efficiency and produce fewer adverse air emissions than the vehicles being replaced.

It is further the intent of the Legislature that the replacement schoolbuses provided under this program be distributed to as diverse a selection of districts as is consistent with safety and energy

considerations.

SEC. 2. Section 17911.4 of the Education Code is repealed.

SEC. 3. Section 17911.4 is added to the Education Code, to read:

17911.4. All candidate schoolbuses selected by the commission for replacement shall be inspected by the department to determine all of the following criteria:

(a) The dates of manufacture of the schoolbuses. The schoolbuses shall have been manufactured prior to April 1, 1977, and shall have been certified during the prior school year pursuant to Section 2807 of the Vehicle Code.

(b) The total accumulated mileage of each candidate schoolbus, as supported by the owner's records and records of the department. Any records maintained by the superintendent may also be considered in determining the true accumulated mileage of a candidate schoolbus.

(c) The average number of miles per day each candidate schoolbus traveled during the prior school year and to date during the current school year, as evidenced by the owner's records. Any records maintained by the department or by the superintendent may also be considered in determining the true average daily miles of a candidate schoolbus.

(d) The dates of each of the last three annual certifications and the odometer reading for each of those dates.

SEC. 4. Section 17911.5 of the Education Code is amended to read:

17911.5. (a) Schoolbuses shall be purchased by the Department of General Services pursuant to specifications developed by the commission. Title to any schoolbus purchased by the Department of General Services pursuant to this section shall be in the name of the local educational agency for which the schoolbus was purchased.

(b) Any schoolbus purchased with these funds shall meet all applicable federal motor vehicle safety standards, operate with greater energy efficiency, and produce fewer adverse air emissions than the vehicles being replaced.

(c) No replacement vehicle shall exceed the capacity of the vehicle being replaced, as estimated by the department. A local educational agency may use funds from any available source, other than grants received pursuant to this part, to pay that part of the cost of a schoolbus that exceeds the cost of a replacement vehicle, as estimated by the Department of General Services.

(d) A replacement vehicle may be of the same design, configuration, and nonpower-train specifications as the retired vehicle.

SEC. 5. Section 17911.6 of the Education Code is repealed.

SEC. 6. Section 17911.6 is added to the Education Code, to read:

17911.6. Local educational agencies may submit a statement describing special circumstances which are applicable to a qualified candidate schoolbus, such as the unavailability of repair or replacement parts, or any necessary chassis modifications requiring

the approval of the manufacturer of the chassis, as required by regulations of the department, with its application for a replacement schoolbus. The commission may consider those special circumstances in determining the local educational agencies that are to receive replacement schoolbuses.

SEC. 7. Section 17911.7 is added to the Education Code, to read:

17911.7. Schoolbuses replaced under this part shall not be used as schoolbuses, youth buses, school pupil activity buses, general public paratransit vehicles, or farm labor vehicles in this state.

SEC. 8. Section 17912.2 of the Education Code is amended to read:

17912.2. When a local educational agency accepts a replacement schoolbus, it shall also agree to participate in the demonstration program. That participation shall include maintaining records of mileage and fuel consumption, and reporting that information to the commission in a timely manner. The commission shall establish a procedure and requirement for participation in the demonstration program. All vehicles acquired under the demonstration program, at a minimum, shall meet all applicable laws and regulations, including those related to their acquisition by school districts, operation, fuel efficiency, air emissions, and safety.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the criteria for the selection of replacement schoolbuses prescribed by this act shall go into effect at the earliest possible time, and in order to expedite the implementation of the Katz Safe Schoolbus Clean Fuel Efficiency Demonstration Program by removing the requirement that procedures and requirements be established by regulation, it is necessary that this act take effect immediately.

CHAPTER 183

An act to add Chapter 8 (commencing with Section 3205) to Part 5 of Division 1 of the Revenue and Taxation Code, and to add Section 9880 to the Vehicle Code, relating to vessels.

[Approved by Governor July 20, 1989. Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Chapter 8 (commencing with Section 3205) is added to Part 5 of Division 1 of the Revenue and Taxation Code, to read:

CHAPTER 8. TAX DELINQUENT VESSELS

3205. (a) The county tax collector may within 30 days after the delinquency date, give written notice to the owners of all property tax delinquent vessels that, in addition to standard county delinquent property tax procedures, the renewal of the certificate of number issued by the Department of Motor Vehicles will be withheld, as provided in Section 9880 of the Vehicle Code, until the delinquent taxes have been paid on that vessel.

(b) If the county tax collector has given notice pursuant to subdivision (a), he or she shall give written notice of the delinquency, by electronic transmission or otherwise, to the Department of Motor Vehicles for its recordation pursuant to Section 9880 of the Vehicle Code.

(c) If the county tax collector has given notice pursuant to subdivisions (a) and (b), the county tax collector shall also provide written notice to the Department of Motor Vehicles when the delinquency has been satisfied.

SEC. 2. Section 9880 is added to the Vehicle Code, to read:

9880. (a) Except as provided in subdivision (c), the department shall not renew the certificate of number of a vessel if the county tax collector has notified the department pursuant to Section 3205 of the Revenue and Taxation Code, that taxes are delinquent upon the vessel, and the department shall not subsequently issue a certificate of number until the owner presents a certificate of clearance from the county tax collector that the delinquent taxes have been paid on that vessel or until the county tax collector has provided notice to the department that the delinquency has been satisfied.

(b) The department shall record the notice of delinquent taxes on the vessel. If the department is notified by the county tax collector that the delinquency has been satisfied, the department shall, if all other requirements are satisfied, issue a certificate of number for the vessel. The department shall assess a fee upon each county tax collector in an amount that is sufficient to reimburse the department for its actual costs of administering this section.

(c) Whenever a vessel subject to this section is transferred, or not renewed for two renewal periods, the department shall notify the county tax collector of that fact and shall not thereafter withhold renewal of the certificate of number.

CHAPTER 184

An act to amend Sections 50519 and 50669 of the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1989 Filed with Secretary of State July 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 50519 of the Health and Safety Code, is amended to read:

50519. (a) The Legislature finds and declares that the need for decent housing among individuals of very low and low income is great, and that residential hotels are often the only form of housing affordable to these individuals. Many residential hotels are in poor condition and in need of rehabilitation, and many are being demolished or converted to other uses. The state can play an important role in preserving the existence and improving the quality of this housing resource through sponsoring demonstration projects which will enable local sponsors to acquire, rehabilitate, maintain, or otherwise protect and improve residential hotels as a housing resource for persons of very low and low income. The demonstration projects should be undertaken and designed so as to demonstrate the feasibility of innovative methods of protecting and improving residential hotels and of improving their habitability while assuring their continued availability to persons of very low and low income.

(b) The following definitions govern the construction of this section:

(1) "Residential hotel" means any building containing six or more guestrooms or efficiency units, as defined by Section 17958.1, intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by guests, which is also the primary residence of those guests, but does not mean any building containing six or more guestrooms or efficiency units, as defined by Section 17958.1, which is primarily used by transient guests who do not occupy that building as their primary residence.

(2) "Sponsor" means a local government or nonprofit housing sponsor.

(3) "Persons of low income" shall have the same meaning as persons of low income as defined in Section 50093 of the Health and Safety Code.

(c) The department, in conjunction with the State Fire Marshal, shall develop a model code for the rehabilitation of residential hotels. The department shall adopt the code on or before January 1, 1981. The code need not be adopted by any city, county, or city and county. However, those entities may adopt all or part of the code as

an alternative to the requirements of the State Housing Law, Part 1.5 (commencing with Section 17910) of Division 13, as that law applies to residential hotels.

The purpose of the standards shall be to protect the health, safety, and welfare of the occupants of those residential hotels, to allow the economically feasible rehabilitation of those residential hotels, and to assure to the extent possible the preservation of those residential hotels as housing for very low and low-income persons.

(d) The agency shall develop a program of financing and loan insurance for the purpose of assisting the rehabilitation and acquisition of residential hotels serving the housing needs of very low and low-income persons by appropriate sponsors, and shall implement that program on or before January 1, 1981.

In the event that the agency is unable to implement that program, it shall report to the Legislature on or before July 1, 1981, the reasons for its inability to implement that program, and recommend methods by which the agency could implement that program.

(e) The department shall contract, subject to the availability of federal funds, with selected sponsors to acquire, rehabilitate, maintain, or otherwise protect and improve residential hotels as housing for persons of low income. The contracts may provide for grants or loans at an interest rate which the department determines will facilitate the present and future use of residential hotels as housing for persons of very low and low income. Subject to the availability of funds, the department shall contract for the preservation and improvement of at least one residential hotel in a rural area. Subject to restrictions on funds received, the department shall give first priority to residential hotels financed or acquired with assistance from the agency pursuant to subdivision (d).

(f) In connection with contracts let pursuant to subdivision (e), the department shall fix, and may alter from time to time, a schedule of rents as may be necessary to assure affordable rents for persons of low income in residential hotels assisted by funds made available under subdivision (e), and to the extent consistent with the maintenance of the financial integrity of the sponsor of the project and with the requirements for repayment of any funds loaned as established by the department. No local government or nonprofit housing sponsor receiving funds through the provisions of subdivision (e) shall alter rents without the prior permission of the department, which permission shall be given only if the sponsor demonstrates that the alteration is necessary to defray necessary operating costs and to avoid jeopardizing the fiscal integrity of the sponsor or to maintain affordable rents to the residents in the project. If the department does not act upon a request for a rent increase within 60 days, the increase shall be deemed approved. In connection with contracts authorized by subdivision (e), the department may determine standards for the selection by sponsors of the tenants for units in projects funded by contracts pursuant to subdivision (e). The authority of the department to fix and alter

rents pursuant to this subdivision shall apply only to units within residential hotels which receive assistance pursuant to subdivision (e).

(g) On or before January 1, 1983, the department shall conduct an evaluation of the various projects funded pursuant to subdivision (e), and of the various methods of preserving and improving residential hotels as a housing resource for persons of low income, and will report on these projects and methods to the Legislature.

(h) On or before January 1, 1983, the department shall report to the Legislature on the extent of the use of residential hotels as housing for persons of low income, and on possible state actions to further the use of residential hotels and to improve existing conditions in residential hotels in a manner designed to maintain their use as housing for persons of low income.

SEC. 2. Section 50669 of the Health and Safety Code is amended to read:

50669. As used in Section 50670:

(a) "Deferred-payment loan" means a loan for acquisition and rehabilitation of a rental housing development which (1) has a term of not more than 30 years, but which shall not in any event exceed the useful life of the rental housing development for which such loan is made, as determined by the department, whichever is less, and (2) is repaid in a single payment upon refinancing of such development at the end of the term of the loan. Such loans shall bear interest at the rate of 3 percent per annum on the unpaid principal balance, provided however, that the department may reduce or eliminate interest payments on a loan for any year or alternatively defer interest payments until the deferred-payment loan is repaid, if in the exercise of sound discretion, the department determines such action is necessary to provide affordable rents to households of very low and low income.

(b) "Rental housing development" means a residential structure or structures containing five or more rental dwelling units for the elderly or handicapped, provided that each unit is equipped with a kitchen and bathroom, or a structure or structures intended for use as a group home by five or more handicapped individuals or a residential hotel for any low or very low income household. "Residential hotel" shall have the same meaning as used in paragraph (1) of subdivision (b) of Section 50519 but, for purposes of this subdivision, there shall be an additional requirement that a majority of the guestrooms in the hotel be residential hotel units. A "residential hotel unit" means a room used or intended to be used as a primary residential unit by a person or persons, which is subject to Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code, but which does not have either a self-containing kitchen or bathroom, or both. A "residential hotel unit" also includes an efficiency unit as defined in Section 17958.1. "Rental housing development" also means a residential structure or structures in operation or previously operated as a motel and subject

to subdivision (b) of Section 1940 of the Civil Code, which will contain five or more dwelling units for any low or very low income households. Eligible rehabilitation costs relative to motels may include costs associated with adding self-containing kitchens and bathrooms in each unit.

(c) "Sponsor" means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the department as qualified to own, manage, and rehabilitate a rental housing development. A sponsor may be organized for profit or limited profit or be nonprofit.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

There is an urgent need for decent housing among individuals of very low and low income and residential hotels are often the only form of housing affordable to these individuals. This bill revises the definition of residential hotel to include efficiency units for the purpose of making these units eligible for funding under the Housing and Homeless Bond Act of 1988, thus protecting and improving residential hotels as a housing resource for persons of very low and low income.

CHAPTER 185

An act to add Section 1797.152 to the Health and Safety Code, relating to emergency services.

[Approved by Governor July 20, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1797.152 is added to the Health and Safety Code, to read:

1797.152. (a) The director, and the Director of Health Services may jointly appoint a regional disaster medical and health coordinator for each mutual aid region of the state. A regional disaster medical and health coordinator shall be either a county health officer, a county coordinator of emergency services, an administrator of a local EMS agency, or a medical director of a local EMS agency. Appointees shall be chosen from among persons nominated by a majority vote of the local health officers in a mutual aid region.

(b) In the event of a major disaster which results in a proclamation of emergency by the Governor, and in the need to

deliver medical or public and environmental health mutual aid to the area affected by the disaster, at the request of the authority, the State Department of Health Services, or the Office of Emergency Services, a regional disaster medical and health coordinator in a region unaffected by the disaster may coordinate the acquisition of requested mutual aid resources from the jurisdictions in the region.

(c) A regional disaster medical and health coordinator may develop plans for the provision of medical or public health mutual aid among the counties in the region.

(d) No person may be required to serve as a regional disaster medical and health coordinator. No state compensation shall be paid for a regional disaster medical and health coordinator position, except as determined appropriate by the state, if funds become available.

CHAPTER 186

An act to amend Section 76008 of the Government Code, relating to penalty assessments.

[Approved by Governor July 20, 1989. Filed with Secretary of State July 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 76008 of Government Code is amended to read:

76008. (a) Notwithstanding any other provision of law, to assist Solano County and Orange County in the funding of county criminal justice facility transition planning, the Board of Supervisors of Solano County or the Board of Supervisors of Orange County, or both, operative upon the adoption of a resolution stating that the provisions of this section and Section 76000 are necessary to county criminal justice facility transition planning, may establish in the respective county treasury a Solano County Transition Planning Trust Fund and an Orange County Transition Planning Trust Fund.

The county treasurer shall place all additional assessment amounts collected on nonparking offenses, pursuant to Section 76000, in the fund.

(b) Notwithstanding any other provision of law, to assist Solano and Orange Counties in the operation of the county jail, the Board of Supervisors of Solano County and the Board of Supervisors of Orange County, respectively, operative upon the adoption of a resolution stating that the provisions of this subdivision and Section 76000 are necessary to county jail operations, may establish in the county treasury a County Jail Fund.

The county treasurer shall place all additional penalty amounts collected on nonparking offenses, pursuant to Section 76000, in the

fund. The fund moneys, together with any interest earned thereon, shall be held by the treasurer separate from any funds subject to transfer or division pursuant to Section 1463 of the Penal Code, and shall be payable only for county jail operations.

Deposits to the fund shall continue until January 1, 2000.

(c) The fund moneys, together with any interest earned thereon, shall be held by the treasurer separate from any funds subject to transfer or division pursuant to Section 1463 of the Penal Code. The moneys in the fund, together with any interest earned thereon, shall be payable only for county criminal justice facility transition planning. The money in the fund may be used through any public agency funding mechanism, including, but not limited to, retirement of bonded indebtedness, loan repayments, and monthly payments involving lease-purchase programs, which reduce an obligation incurred in reliance upon the authority granted by this section.

(d) For purposes of this section, "county criminal justice facilities" includes, but is not limited to, jails, women's centers, detention facilities, juvenile halls, and courtrooms.

(e) Deposits to the fund shall continue through and include the second year after the initial calendar year in which the assessment is collected.

(f) Subdivisions (a), (c), (d), and (e) of this section shall remain in operation only until July 1, 1990, and shall become inoperative on that date, unless a later enacted statute which is chaptered before July 1, 1990, deletes or extends that date.

(g) Subdivision (b) of this section shall become operative on July 1, 1990.

CHAPTER 187

An act to amend Sections 9800, 9801, and 9802 of, to repeal Section 8162 of, and to add Article 6 (commencing with Section 8200) to Chapter 4 of Division 3 of, the Vehicle Code, relating to vehicles.

[Approved by Governor July 20, 1989. Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8162 of the Vehicle Code is repealed.

SEC. 2. Article 6 (commencing with Section 8200) is added to Chapter 4 of Division 3 of the Vehicle Code, to read:

Article 6. Enforcement of Liens on Apportioned Fleet Vehicles

8200. "Registrant," for purposes of this article, means any person issued apportioned fleet registration pursuant to Article 5 (commencing with Section 8150).

8201. (a) Fees determined to be due, including penalties and service fees, for the operation of a fleet apportionately registered vehicle shall be a lien upon all vehicles operated as part of the fleet and on any other fleet vehicles operated by the registrant. The department may collect the amount of the lien, plus costs, not to exceed two hundred fifty dollars ($250), in an appropriate civil action and by seizure and sale of the vehicle.

(b) Every lien arising under this section expires three years from the date the fee or penalty first became due unless the lien is perfected pursuant to subdivision (c).

(c) A lien shall be perfected when a notice is mailed to the registrant at the address shown on the department's records and the lien is recorded on the electronic vehicle registration records of the department. A perfected lien shall expire five years from the date of perfection.

(d) Prior to the expiration of the statute of limitations, the registrant may consent to a waiver which would allow the assessment of fees and penalties past the statute of limitations.

8202. (a) Within 30 days of the date the notice is mailed pursuant to Section 8201, the registrant may submit documentation not previously available or may request a hearing to contest the existence or the amount of the lien. If no additional documentation is submitted, or if no hearing is requested, the operating privileges of the fleet may be suspended or canceled and a sufficient number of vehicles may be seized and sold to satisfy the lien.

(b) If additional documentation is submitted, the department shall review the documentation and issue its findings to the registrant. Within 20 days of the date the findings are mailed, the registrant may request a hearing.

(c) If a hearing is requested, 10 days' notice shall be given of the time and place of the hearing, which shall be held within the county of residence of the person requesting the hearing or within the county of the established place of business of the registrant. The hearing shall be conducted by a referee who shall submit findings and recommendations to the director or his or her authorized representative, who shall decide the matter. The decision shall be effective on notice thereof to the interested parties. However, the director, or his or her authorized representative, may rescind the decision and reconsider the matter for good cause shown at any time within three years after the date the disputed fee or penalty first became due, or one year from the hearing whichever is later.

(d) Upon final completion of all administrative appeals, the department shall give written notice to the registrant of the right to a review of the decision by a court of competent jurisdiction. Any action brought in court shall be commenced within 90 days from the date notice of the decision is mailed.

8203. (a) When a lien is perfected pursuant to Section 8200 and the opportunity to submit additional documentation or to request a hearing has passed, the department may suspend or cancel the

operating privileges of the fleet. When the suspension takes effect, the department may seize a sufficient number of vehicles to satisfy the lien without further notice, upon obtaining authorization for the seizure and sale from the director or his or her authorized representative.

(b) Members of the California Highway Patrol, and peace officers employed by local authorities, are agents of the department for the purposes of this section.

(c) In all cases, prior to the sale, a notice of the lien and intent to sell the vehicle shall be given by the department to the registrant, the known legal and registered owners, and to any other person known to be claiming an interest in the vehicle. The department shall also give public notice of the lien by placing an advertisement in a newspaper of general circulation published in the county in which the registrant's place of business is located.

(d) At any time before seizure and sale, any person claiming an interest in the vehicle may pay the department the amount of the lien, plus costs. In that event, the seizure and sale shall not be held, and the vehicle, shall be returned by the department to the person entitled to its possession.

(e) Any property found by the department in any vehicle seized under the provisions of this article shall be handled by the department in the manner provided in Sections 2414 and 2415.

(f) The sale shall be conducted and proceeds distributed pursuant to Section 9802.

8204. (a) When a transferee or purchaser of an apportionately registered fleet vehicle applies to the department for transfer of ownership and it is determined by the department that there is an outstanding lien against the fleet in which the vehicle was operated, that fees became due prior to the transfer or purchase of the vehicle, and that the transferee or the purchaser was not cognizant of the fact that a lien existed, the department may waive apportioned registration fees and any penalties that are due.

(b) When fees and penalties are waived pursuant to subdivision (a), the apportioned registration fees and penalties shall become the liability of the registrant who failed to pay the fees and penalties when they became due. The fees and penalties may be collected by the department in an appropriate civil action.

SEC. 3. Section 9800 of the Vehicle Code is amended to read:

9800. (a) Payments for any of the following, and any interest, penalties, or service fees added thereto, required to register or transfer the registration of a vehicle, constitute a lien on the vehicle on which they are due or which was involved in the offense, and on any other vehicle owned by the owner of that vehicle:

(1) Registration fees.

(2) Transfer fees.

(3) License fees.

(4) Use taxes.

(5) Penalties for offenses relating to the standing or parking of a

vehicle for which a notice of parking violation has been served on the owner, and any administrative service fee added to the penalty.

(b) Notwithstanding subdivision (a), if a person is cited for a foreign registered auxiliary dolly, semitrailer, or trailer having been operated without current year registration or valid California permits or registration, an amount equal to the minimum registration fees or transfer fees, and any penalty added thereto, from the date they became due, shall, by election of the power unit operator, constitute a lien upon the California registered power unit which was pulling the dolly, semitrailer, or trailer. However, this subdivision is not applicable if the citation is issued at a scale operated by the Department of the California Highway Patrol and registration for the vehicle can be issued there immediately upon payment of the fees due.

(c) Every lien arising under this section expires three years from the date the fee, tax, or parking penalty first became due unless the lien is perfected pursuant to subdivision (d).

(d) A lien is perfected when a notice is mailed to the registered and legal owners at the addresses shown in the department's records and the lien is recorded on the electronic vehicle registration records of the department. A perfected lien shall expire five years from the date of perfection.

(e) Employees and members of the Department of the California Highway Patrol assigned to commercial vehicle scale facilities may possess and sell trip permits approved by the Department of Motor Vehicles.

SEC. 4. Section 9801 of the Vehicle Code is amended to read:

9801. (a) When the registration of a vehicle is delinquent, the department may collect the amount of the lien on the vehicle plus costs, not to exceed two hundred fifty dollars ($250), by appropriate civil action and by the seizure and sale of the vehicle or any other vehicle owned by the owner of the unregistered vehicle.

(b) At least 10 days before the seizure, notice of the lien and of the intent to seize and sell the vehicle shall be given by the department to the registered and legal owners, and to any other person known to be claiming an interest in the vehicle, by registered mail addressed to those persons at the last known addresses appearing on the records of the department.

(c) Any person receiving the notice of the lien and the intent to seize and sell the vehicle may request a hearing to contest the existence or amount of the lien. If no hearing is requested, the vehicle shall be seized and sold.

(d) If a hearing is requested, 10 days' notice shall be given of the time and place of the hearing, which shall be held within the county of residence of the person requesting the hearing or of the registered owner. The hearing shall be conducted by a referee who shall submit findings and recommendations to the director or his or her authorized representative, who shall decide the matter. The decision shall be effective on notice thereof to the interested parties.

However, the director or his or her authorized representative may rescind the decision and reconsider the matter for good cause shown at any time within three years after the date the disputed fee or tax first became due, or within one year from the hearing, whichever is later.

(e) At any time before seizure or sale, any registered owner, legal owner, or person claiming an interest in the vehicle may pay the department the amount of the lien, plus costs. In that event, the seizure or sale shall not be held and the vehicle, if seized, shall be returned by the department to the person entitled to its possession. This payment shall not constitute a waiver of the right to a hearing.

(f) When the department or an authorized agent has reasonable cause to believe that the lien may be jeopardized within the 10-day notice-of-intent period. the vehicle may be seized without prior notice to the registered or legal owner, upon obtaining authorization for the seizure from the Registrar of Vehicles or authorized representative. In all those cases, a notice of the lien and the intent to sell the vehicle shall be given by the department to the legal and registered owner, and to any other person known to be claiming an interest in the vehicle, within 48 hours after seizure excluding Saturdays, Sundays, and holidays specified in Section 6700 of the Government Code. Any hearing to contest the lien and the seizure shall be requested within 10 days following transmittal of that notice.

(g) When a lien exists against one or more vehicles owned by the same person or persons, the department may seize and sell a sufficient number of the vehicles to pay the lien, plus costs, on one or more of the vehicles in accordance with subdivision (a).

(h) The Department of the California Highway Patrol shall assist with the seizure and impounding of the vehicle. Any municipality or county law enforcement agency may assist with the seizure and impounding of the vehicle.

(i) Any property found by the department in any vehicle seized under the provisions of this article shall be handled by the department in the same manner as is provided in Sections 2414 and 2415.

SEC. 5. Section 9802 of the Vehicle Code is amended to read

9802. (a) The Registrar of Vehicles or authorized representative shall conduct the sale in the same manner as provided by law for the seizure and sale of personal property by the assessor for the collection of taxes due on personal property.

(b) The department may bid for the vehicle an amount equal to the lien held by the department for registration, transfer, and license fees, use taxes, parking penalties, and any interest, penalties, and costs added thereto. In all cases where the vehicle becomes the property of the department, it shall be reduced to junk and sold.

(c) The proceeds of any sale shall be allocated by the department for the following purposes and in the following order:

(1) Costs incurred by the department.

(2) Registration and transfer fees and any penalty added thereto.

(3) License fees and any penalty added thereto.
(4) Use taxes and any interest or penalty added thereto.
(5) Perfected mechanics' liens.
(6) Perfected security interests.
(7) Penalties for offenses relating to the standing or parking of a vehicle and any administrative service fee added thereto.
(8) All other fees due the department.
(9) Any remainder to the person whose claim of interest in the vehicle is approved by the department.

(d) Notwithstanding Section 42270, the proceeds of a sale allocated pursuant to paragraphs (4) to (9), inclusive, of subdivision (c) shall not be transmitted to the Treasurer for deposit in the Motor Vehicle Account in the State Transportation Fund.

(e) The department shall transmit to the State Board of Equalization all use taxes, interest, and penalties collected under this article within 60 days after receipt thereof in the form which may be prescribed and approved jointly by the department and the board.

CHAPTER 188

An act to amend Section 1916.5 of the Civil Code, relating to financial institutions.

[Approved by Governor July 20, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1916.5 of the Civil Code is amended to read:

1916.5. (a) No increase in interest provided for in any provision for a variable interest rate contained in a security document, or evidence of debt issued in connection therewith, by a lender other than a supervised financial organization shall be valid unless that provision is set forth in the security document, and in any evidence of debt issued in connection therewith, and the document or documents contain the following provisions:

(1) A requirement that when an increase in the interest rate is required or permitted by a movement in a particular direction of a prescribed standard an identical decrease is required in the interest rate by a movement in the opposite direction of the prescribed standard.

(2) The rate of interest shall change not more often than once during any semiannual period, and at least six months shall elapse between any two changes.

(3) The change in the interest rate shall not exceed one-fourth of 1 percent in any semiannual period, and shall not result in a rate more than 2.5 percentage points greater than the rate for the first loan payment due after the closing of the loan.

(4) The rate of interest shall not change during the first semiannual period.

(5) The borrower is permitted to prepay the loan in whole or in part without a prepayment charge within 90 days of notification of any increase in the rate of interest.

(6) A statement attached to the security document and to any evidence of debt issued in connection therewith printed or written in a size equal to at least 10-point bold type, consisting of the following language:

NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE INTEREST RATE.

(b) (1) This section shall be applicable only to a mortgage contract, deed of trust, real estate sales contract, or any note or negotiable instrument issued in connection therewith, when its purpose is to finance the purchase or construction of real property containing four or fewer residential units or on which four or fewer residential units are to be constructed.

(2) This section shall not apply to unamortized construction loans with an original term of two years or less or to loans made for the purpose of the purchase or construction of improvements to existing residential dwellings.

(c) Regulations setting forth the prescribed standard upon which variations in the interest rate shall be based may be adopted by the Savings and Loan Commissioner with respect to savings associations and by the Insurance Commissioner with respect to insurers. Regulations adopted by the Savings and Loan Commissioner shall apply to all loans made by savings associations pursuant to this section prior to January 1, 1990.

(d) As used in this section:

(1) "Supervised financial organization" means a bank, savings association (as defined in Section 5102 of the Financial Code), credit union, industrial loan company, personal property broker, consumer finance lender, or holding company, affiliate, or subsidiary thereof, or institution of the Farm Credit System, as specified in 12 U.S.C. Sec. 2002.

(2) "Insurer" includes, but is not limited to, a nonadmitted insurance company.

(3) "Semiannual period" means each of the successive periods of six calendar months commencing with the first day of the calendar month in which the instrument creating the obligation is dated.

(4) "Security document" means a mortgage contract, deed of trust, or real estate sales contract.

(5) "Evidence of debt" means a note or negotiable instrument.

(e) This section shall be applicable only to instruments executed on and after the effective date of this section.

(f) This section shall not apply to nonprofit public corporations.

(g) This section is not intended to apply to a loan made where the rate of interest provided for is less than the then current market rate for a similar loan in order to accommodate the borrower because of

a special relationship, including, but not limited to, an employment or business relationship, of the borrower with the lender or with a customer of the lender and the sole increase in interest provided for with respect to the loan will result only by reason of the termination of that relationship or upon the sale, deed, or transfer of the property securing the loan to a person not having that relationship.

CHAPTER 189

An act to amend Section 18151 of, and to repeal Section 18154 of, the Health and Safety Code, relating to mobilehomes, and making an appropriation therefor.

[Approved by Governor July 20, 1989 Filed with Secretary of State July 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18151 of the Health and Safety Code is amended to read:

18151. (a) The position of mobilehome ombudsman is hereby established in the Department of Housing and Community Development.

(b) Except as provided in subdivision (c), the ombudsman shall provide assistance in taking complaints, and helping to resolve and coordinate the resolution of those complaints, from the public relating to manufactured homes and mobilehomes, including, but not limited to, problems of titling and registration, installation, warranties, financing, other than financing by a supervised financial organization, as defined in Section 1801.6 of the Civil Code, sales, inspection of homes and parks, mobilehome accessories and improvements, and problems relating to the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code).

(c) The ombudsman shall not arbitrate, mediate, negotiate, or provide legal advice on mobilehome park rent disputes, lease or rental agreements, or disputes arising from lease or rental agreements, but may provide information on these issues.

(d) The ombudsman shall refer any alleged violations of law or regulations within the Department of Housing and Community Development's jurisdiction to the Division of Codes and Standards within the Department of Housing and Community Development.

SEC. 2. Section 18154 of the Health and Safety Code is repealed.

SEC. 3. The sum of one hundred thousand dollars ($100,000) is hereby appropriated from the Mobilehome-Manufactured Home Revolving Fund to the Department of Housing and Community Development for the 1989–90 fiscal year to be used for the purposes specified in Section 18151 of the Health and Safety Code.

CHAPTER 190

An act to amend Section 51.3 of the Civil Code, relating to housing.

[Approved by Governor July 21, 1989. Filed with Secretary of State July 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 51.3 of the Civil Code is amended to read:

51.3. (a) The Legislature finds and declares that this section is essential to establish and preserve specially designed accessible housing for senior citizens. There are senior citizens who need special living environments and services, and find that there is an inadequate supply of this type of housing in the state.

(b) The Legislature finds and declares that different age limitations for senior citizen housing are appropriate in recognition of the size of a development in relationship to the community in which it is located.

(c) For the purposes of this section, the following definitions apply:

(1) "Qualifying resident" or "senior citizen" means a person 62 years of age or older, or 55 years of age or older in a senior citizen housing development.

(2) "Qualified permanent resident" means a person who meets all of the following requirements:

(A) Was residing with the qualifying resident or senior citizen prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the qualifying resident or senior citizen.

(B) Was 45 years of age or older, or was a spouse, cohabitant, or person providing primary physical or economic support to the qualifying resident or senior citizen.

(C) Has an ownership interest in, or is in expectation of an ownership interest in, the dwelling unit within the housing development that limits occupancy, residency, or use on the basis of age.

(3) "Senior citizen housing development" means a residential development consisting of at least 150 dwelling units in a standard metropolitan statistical area or at least 35 dwelling units in any other area which is developed for, or substantially rehabilitated or renovated for, senior citizens. For the purpose of computing the number of dwelling units within that development, the number of dwelling units developed, whether in single or multiple phases, shall be included in the computation. Developments commenced after July 1, 1986, shall be required to have been issued a public report as a senior citizen housing development under Section 11010.05 of the Business and Professions Code.

(4) "Dwelling unit" or "housing" means any residential

accommodation other than a mobilehome.

(5) "Cohabitant" refers to persons who live together as husband and wife.

(6) "Permitted health care resident" means a person hired to provide live-in, long-term, or terminal health care to a qualifying resident.

(d) The covenants, conditions, and restrictions or other documents or written policy shall not limit occupancy, residency, or use on the basis of age more proscriptively than to require that one person in residence in each dwelling unit may be required to be a senior citizen and that each other resident in the same dwelling unit may be required to be a qualified permanent resident.

(e) The covenants, conditions, and restrictions or other documents or written policy shall permit temporary residency, as a guest of a senior citizen or qualified permanent resident, by a person of less than 45 years of age for periods of time, not less than 60 days in any year, which are specified in the covenants, conditions, and restrictions or other documents or written policy.

(f) Upon the death or dissolution of marriage, or upon hospitalization, or other prolonged absence of the qualifying resident, any qualified permanent resident shall be entitled to continue his or her occupancy, residency, or use of the dwelling unit as a permitted resident.

(g) The condominium, stock cooperative, limited-equity housing cooperative, planned development, or multiple-family residential rental property shall have been developed for, and initially been put to use as, housing for senior citizens, or shall have been substantially rehabilitated or renovated for, and immediately afterward put to use as, housing for senior citizens, as provided in this section.

(h) The covenants, conditions, and restrictions or other documents or written policies applicable to any condominium, stock cooperative, limited-equity housing cooperative, planned development, or multiple-family residential property which contained age restrictions on January 1, 1984, shall be enforceable only to the extent permitted by this section, notwithstanding lower age restrictions contained in those documents or policies.

(i) Any person who has the right to reside in, occupy, or use the housing or an unimproved lot subject to this section on January 1, 1985, shall not be deprived of the right to continue that residency, occupancy, or use as the result of the enactment of this section.

(j) The covenants, conditions, and restrictions or other documents or written policy of the senior citizen housing development shall permit the occupancy of a dwelling unit by a permitted health care resident during any period that the person is actually providing live-in, long-term, or hospice health care to a qualifying resident for compensation.

CHAPTER 191

An act to amend Section 6254 of the Government Code and to amend Section 243 of the Penal Code, relating to crimes.

[Approved by Governor July 21, 1989. Filed with Secretary of State July 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any such investigatory or security files compiled by any other state or local police agency, or any such

investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes, except that state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, vandalism, vehicle theft, or a crime as defined by subdivision (c) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files which reflect the analysis or conclusions of the investigating officer.

Other provisions of this subdivision notwithstanding, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name, current address, and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) The time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date and location of occurrence, the time and date of the report, the name, age and current address of the victim, except that the address of the victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, or 289 of the Penal Code shall not be disclosed, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, or 289 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor.

When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined by Section 261, 264, 264.1, 273a, 273d, 286, 288, 288a, or 289 of the Penal Code may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(*l*) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided that public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application which

are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, Chapter 10.5 (commencing with Section 3525) of Division 4 of Title 1, and Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, which reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or which provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under the above chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Articles 2.6 (commencing with Section 14081), 2.8 (commencing with Section 14087.5), and 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, which reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or which provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. In the event that a contract for inpatient services which is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee. The Joint Legislative Audit Committee shall maintain the confidentiality of the contracts and amendments until such time as a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places maintained by the Native American Heritage Commission.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals which has been transmitted to the State Department of Health Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, which relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 or 11512 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) Information contained in applications for licenses to carry concealed weapons issued by the sheriff of a county or the chief or other head of a municipal police department which indicates when or where the applicant is vulnerable to attack or which concerns the applicant's medical or psychological history or that of members of his or her family.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act.

SEC. 2. Section 243 of the Penal Code is amended to read:

243. (a) A battery is punishable by a fine of not exceeding two thousand dollars ($2,000), or by imprisonment in the county jail not exceeding six months, or by both such fine and imprisonment.

(b) When a battery is committed against the person of a peace officer, custodial officer, firefighter, emergency medical technician, mobile intensive care paramedic, lifeguard, process server, traffic officer, or animal control officer engaged in the performance of his or her duties, whether on or off duty, including when the peace officer is in a police uniform and is concurrently performing the duties required of him or her as a peace officer while also employed in a private capacity as a part-time or casual private security guard or patrolman, or a physician or nurse engaged in rendering emergency medical care outside a hospital, clinic, or other health care facility, and the person committing the offense knows or reasonably should know that the victim is a peace officer, custodial officer, firefighter, emergency medical technician, mobile intensive care paramedic, lifeguard, process server, traffic officer, or animal control officer engaged in the performance of his or her duties, or a physician or nurse engaged in rendering emergency medical care, the battery is punishable by a fine not exceeding two thousand dollars ($2,000), or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

(c) When a battery is committed against a peace officer, custodial officer, firefighter, emergency medical technician, mobile intensive care paramedic, lifeguard, process server, traffic officer, or animal control officer engaged in the performance of his or her duties, whether on or off duty, including when the peace officer is in a police uniform and is concurrently performing the duties required of him or her as a peace officer while also employed in a private capacity

as a part-time or casual private security guard or patrolman, or a physician or nurse engaged in rendering emergency medical care outside a hospital, clinic, or other health care facility, and the person committing the offense knows or reasonably should know that the victim is a peace officer, custodial officer, firefighter, emergency medical technician, mobile intensive care paramedic, lifeguard, process server, traffic officer, or animal control officer engaged in the performance of his or her duties, or a physician or nurse engaged in rendering emergency medical care, and an injury is inflicted on that victim, the battery is punishable by imprisonment in the county jail for a period of not more than one year, or by a fine of not more than two thousand dollars ($2,000), or by imprisonment in the state prison for 16 months, or two or three years.

(d) When a battery is committed against any person and serious bodily injury is inflicted on the person, the battery is punishable by imprisonment in the county jail for a period of not more than one year or imprisonment in the state prison for two, three, or four years.

(e) When a battery is committed against a noncohabitating former spouse, fiancé, fiancée, or a person with whom the defendant currently has, or has previously had, a dating relationship, the battery is punishable by a fine not exceeding two thousand dollars ($2,000), or by imprisonment in the county jail for a period of not more than one year, or by both. If probation is granted, or the execution or imposition of the sentence is suspended, it shall be a condition thereof that the defendant participate in, for no less than one year, and successfully complete, a batterer's treatment program, or if none is available, in another appropriate counseling program designated by the court; however, this provision shall not be construed as requiring a city, a county, or a city and county to provide a new program or higher level of service as contemplated by Section 6 of Article XIII B of the California Constitution.

The Legislature finds and declares that these specified crimes merit special consideration when imposing a sentence so as to display society's condemnation for such crimes of violence upon victims with whom a close relationship has been formed.

(f) As used in this section:

(1) "Peace officer" means any person defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2.

(2) "Emergency medical technician" means a person possessing a valid course completion certificate from a program approved by the State Department of Health Services for the medical training and education of ambulance personnel, and who meets the standards of Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

(3) "Mobile intensive care paramedic" means any person who meets the standards set forth in Section 1797.84 of, and Division 2.5 (commencing with Section 1797) of, the Health and Safety Code.

(4) "Nurse" means a person who meets the standards of Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

(5) "Serious bodily injury" means a serious impairment of physical condition, including, but not limited to, the following: loss of consciousness; concussion; bone fracture; protracted loss or impairment of function of any bodily member or organ; a wound requiring extensive suturing; and serious disfigurement.

(6) "Injury" means any physical injury which requires professional medical treatment.

(7) "Custodial officer" means any person who has the responsibilities and duties described in Section 831 and who is employed by a law enforcement agency of any city or county or who performs those duties as a volunteer.

(8) "Lifeguard" means a person defined in paragraph (5) of subdivision (c) of Section 241.

(9) "Traffic officer" means any person employed by a city, county, or city and county, to monitor and enforce state laws and local ordinances relating to parking and the operation of vehicles.

(10) "Animal control officer" means any person employed by a city, county, or city and county for purposes of enforcing animal control laws or regulations.

(11) "Dating relationship" means frequent, intimate associations primarily characterized by the expectation of affectional or sexual involvement independent of financial considerations.

It is the intent of the Legislature by amendments to this section at the 1981–82 and 1983–84 Regular Sessions to abrogate the holdings in cases such as People v. Corey, 21 Cal. 3d 738, and Cervantez v. J.C. Penney Co., 24 Cal. 3d 579, and to reinstate prior judicial interpretations of this section as they relate to criminal sanctions for battery on peace officers who are employed, on a part-time or casual basis, while wearing a police uniform as private security guards or patrolmen and to allow the exercise of peace officer powers concurrently with that employment.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 or Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 192

An act to amend Sections 21025.6, 21151, 21206, and 21238 of the Government Code, relating to public employees' retirement.

[Approved by Governor July 21, 1989 Filed with Secretary of State July 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21025.6 of the Government Code is amended to read:

21025.6. Notwithstanding any other provision of this article, the retirement of a member who has been offered enrollment in a rehabilitation program provided by the employer, or appointing power if he or she is a state member, shall not become effective until the rehabilitation program is terminated by any of the following:

(a) The employer or appointing power determines that the rehabilitation program is ineffective and cancels the member's enrollment in the program.

(b) The member requests release from the rehabilitation program.

(c) The member rejects the offer of enrollment in the rehabilitation program within 30 days after notice by the Public Employees' Retirement System of his or her eligibility for disability retirement.

(d) The member completes the rehabilitation program.

If a member pursuant to a rehabilitation program enters a position in state service, he or she shall be retired thereafter for disability only in accordance with provisions of this part other than this section if he or she becomes incapacitated for performance of duty in that position. The disability shall be deemed to be industrial if the disability resulting in enrollment in the program was industrial, unless Section 21202.5 applies.

SEC. 2. Section 21151 of the Government Code is amended to read:

21151. A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

(a) As a member of any board, commission, or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3200) and Division 4 5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.

(b) As a school crossing guard.

(c) As a juror or election officer.

(d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under Section 21158 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.

(e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars ($100) per month.

(f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.

(g) Upon appointment by the governing body of a contracting agency to a position deemed by the governing body to be of a limited duration and requiring specialized skills. The appointment shall be only to fill a temporary vacancy until a permanent appointment can be made by the governing body.

(h) As a member of the governing body of a community college district, provided, however, that the member serves on the governing body without compensation or has elected to forego compensation, as provided in subdivision (e) of Section 72425 of the Education Code.

SEC. 3. Section 21206 of the Government Code is amended to read

21206. Notwithstanding any other provision of law, a parent having custody of surviving children eligible to receive an allowance or a lump-sum payment payable under this part shall not be required to become the guardian of those children in order to be paid, on behalf of their children, the benefits prescribed for those children.

SEC. 4. Section 21238 of the Government Code is amended to read:

21238. (a) The board shall establish an Extraordinary Performance Dividend Account in the Retirement Fund consisting of the amount of earnings of the Retirement Fund transferred from the Purchasing Power Accounts pursuant to Section 21237.

(b) The board shall from time to time on or after January 1, 1991, but only in a fiscal year in which the purchasing power of all persons receiving payments from the Purchasing Power Accounts is 75 percent, disburse, not more frequently than quarterly, extraordinary performance dividend payments to those retired persons and those survivors and beneficiaries of state, school, and local members and retired persons whose allowances, after applying the annual cost-of-living adjustments and all other increases in allowances required or authorized by this part, have the lowest purchasing power percentage, based on the amount that would be paid had the original allowance been increased by increases in the Consumer Price Index, as defined by subdivision (c) of Section 21221, increasing those allowances to a common minimum purchasing power level. The payments shall be paid by a separate identifiable warrant.

(c) The amount specified in subdivision (a) is hereby

appropriated from the Extraordinary Performance Dividend Account to the board without regard to fiscal years. Whenever the board determines that there are sufficient funds in the Extraordinary Performance Dividend Account, the board shall apply that portion of those funds deemed prudent by the board to any payments authorized by this section.

(d) The board shall inform each recipient of benefits under subdivision (b) that the payments are not cumulative, not part of the base retirement allowance, and may be available only as a result of extraordinary investment returns to the system.

CHAPTER 193

An act to amend Section 9889.75 of the Business and Professions Code, to amend Section 1793.2 of the Civil Code, and to amend Section 3016 of the Vehicle Code, relating to motor vehicles.

[Approved by Governor July 21, 1989 Filed with Secretary of State July 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 9889.75 of the Business and Professions Code is amended to read:

9889.75. The New Motor Vehicle Board in the Department of Motor Vehicles shall, in accordance with the procedures prescribed in this section, administer the collection of fees for the purposes of fully funding the administration of this chapter.

(a) There is hereby created in the Automotive Repair Fund a Certification Account. Fees collected pursuant to this section shall be deposited in the Certification Account and shall be available, upon appropriation by the Legislature, exclusively to pay the expenses incurred by the bureau in administering this chapter and to pay the New Motor Vehicle Board as provided in Section 3016 of the Vehicle Code. If at the conclusion of any fiscal year the amount of fees collected exceeds the amount of expenditures for that purpose during that fiscal year, the surplus in the Certification Account shall be carried over into the succeeding fiscal year.

(b) Beginning July 1, 1988, and on or before May 1 of each calendar year thereafter, every manufacturer shall file with the New Motor Vehicle Board a statement of the number of motor vehicles sold, leased, or otherwise distributed by or for the manufacturer in this state during the preceding calendar year, and shall, upon written notice delivered to the manufacturer by certified mail, return receipt requested, pay to the New Motor Vehicle Board a fee, not to exceed one dollar ($1) for each motor vehicle sold, leased, or distributed by or for the manufacturer in this state during the preceding calendar year. The total fee paid by each manufacturer

shall be rounded to the nearest dollar in the manner described in Section 9559 of the Vehicle Code. No more than one dollar ($1) shall be charged, collected, or received from any one or more manufacturers pursuant to this subdivision with respect to the same motor vehicle.

(c) (1) The fee required by subdivision (b) is due and payable no later than 30 days after the manufacturer has received notice of the amount due and is delinquent after that time. A penalty of 10 percent of the amount delinquent shall be added to that amount, if the delinquency continues for more than 30 days.

(2) In the event that a manufacturer fails to file the statement required by subdivision (b) by the date specified, the New Motor Vehicle Board shall assess the amount due from the manufacturer by using as the number of motor vehicles sold, leased, or otherwise distributed by or for the manufacturer in this state during the preceding calendar year the total number of new registrations of all motor vehicles sold, leased, or otherwise distributed by or for the manufacturer during the preceding calendar year.

(d) On or before February 1 of each calendar year, the bureau shall notify the New Motor Vehicle Board of the dollar amount necessary to fully fund the program established by this chapter during the following fiscal year. The New Motor Vehicle Board shall use this information in calculating the amounts of the fees to be collected from manufacturers pursuant to this section.

(e) For the purposes of this section, "motor vehicle" means a new passenger or commercial motor vehicle of a kind that is required to be registered under the Vehicle Code, but the term does not include a motorcycle, a motor home, or any vehicle whose gross weight exceeds 10,000 pounds.

(f) The New Motor Vehicle Board may adopt regulations to implement this section. The regulations shall include, at a minimum, a formula for calculating the fee, established pursuant to subdivision (b), for each motor vehicle and the total amount of fees to be collected from each manufacturer.

SEC. 2. Section 1793.2 of the Civil Code is amended to read:

1793.2. (a) Every manufacturer of consumer goods sold in this state and for which the manufacturer has made an express warranty shall:

(1) (A) Maintain in this state sufficient service and repair facilities reasonably close to all areas where its consumer goods are sold to carry out the terms of those warranties or designate and authorize in this state as service and repair facilities independent repair or service facilities reasonably close to all areas where its consumer goods are sold to carry out the terms of the warranties.

(B) As a means of complying with this paragraph, a manufacturer may enter into warranty service contracts with independent service and repair facilities. The warranty service contracts may provide for a fixed schedule of rates to be charged for warranty service or warranty repair work. However, the rates fixed by those contracts

shall be in conformity with the requirements of subdivision (c) of Section 1793.3. The rates established pursuant to subdivision (c) of Section 1793.3, between the manufacturer and the independent service and repair facility, shall not preclude a good faith discount which is reasonably related to reduced credit and general overhead cost factors arising from the manufacturer's payment of warranty charges direct to the independent service and repair facility. The warranty service contracts authorized by this paragraph shall not be executed to cover a period of time in excess of one year, and may be renewed only by a separate, new contract or letter of agreement between the manufacturer and the independent service and repair facility.

(2) In the event of a failure to comply with paragraph (1) of this subdivision, be subject to Section 1793.5.

(3) Make available to authorized service and repair facilities sufficient service literature and replacement parts to effect repairs during the express warranty period.

(b) Where those service and repair facilities are maintained in this state and service or repair of the goods is necessary because they do not conform with the applicable express warranties, service and repair shall be commenced within a reasonable time by the manufacturer or its representative in this state. Unless the buyer agrees in writing to the contrary, the goods shall be serviced or repaired so as to conform to the applicable warranties within 30 days. Delay caused by conditions beyond the control of the manufacturer or his representatives shall serve to extend this 30-day requirement. Where delay arises, conforming goods shall be tendered as soon as possible following termination of the condition giving rise to the delay.

(c) The buyer shall deliver nonconforming goods to the manufacturer's service and repair facility within this state, unless, due to reasons of size and weight, or method of attachment, or method of installation, or nature of the nonconformity, delivery cannot reasonably be accomplished. If the buyer cannot return the nonconforming goods for any of these reasons, he or she shall notify the manufacturer or its nearest service and repair facility within the state. Written notice of nonconformity to the manufacturer or its service and repair facility shall constitute return of the goods for purposes of this section. Upon receipt of that notice of nonconformity, the manufacturer shall, at its option, service or repair the goods at the buyer's residence, or pick up the goods for service and repair, or arrange for transporting the goods to its service and repair facility. All reasonable costs of transporting the goods when a buyer cannot return them for any of the above reasons shall be at the manufacturer's expense. The reasonable costs of transporting nonconforming goods after delivery to the service and repair facility until return of the goods to the buyer shall be at the manufacturer's expense.

(d) (1) Except as provided in paragraph (2), if the manufacturer

or its representative in this state does not service or repair the goods to conform to the applicable express warranties after a reasonable number of attempts, the manufacturer shall either replace the goods or reimburse the buyer in an amount equal to the purchase price paid by the buyer, less that amount directly attributable to use by the buyer prior to the discovery of the nonconformity.

(2) If the manufacturer or its representative in this state is unable to service or repair a new motor vehicle, as that term is defined in subparagraph (B) of paragraph (4) of subdivision (e), to conform to the applicable express warranties after a reasonable number of attempts, the manufacturer shall either promptly replace the new motor vehicle in accordance with subparagraph (A) or promptly make restitution to the buyer in accordance with subparagraph (B). However, the buyer shall be free to elect restitution in lieu of replacement, and in no event shall the buyer be required by the manufacturer to accept a replacement vehicle.

(A) In the case of replacement, the manufacturer shall replace the buyer's vehicle with a new motor vehicle substantially identical to the vehicle replaced. The replacement vehicle shall be accompanied by all express and implied warranties that normally accompany new motor vehicles of that specific kind. The manufacturer also shall pay for, or to, the buyer the amount of any sales or use tax, license fees, registration fees, and other official fees which the buyer is obligated to pay in connection with the replacement, plus any incidental damages to which the buyer is entitled under Section 1794, including, but not limited to, reasonable repair, towing, and rental car costs actually incurred by the buyer.

(B) In the case of restitution, the manufacturer shall make restitution in an amount equal to the actual price paid or payable by the buyer, including any charges for transportation and manufacturer-installed options, but excluding nonmanufacturer items installed by a dealer or the buyer, and including any collateral charges such as sales tax, license fees, registration fees, and other official fees, plus any incidental damages to which the buyer is entitled under Section 1794, including, but not limited to, reasonable repair, towing, and rental car costs actually incurred by the buyer.

(C) When the manufacturer replaces the new motor vehicle pursuant to subparagraph (A), the buyer shall only be liable to pay the manufacturer an amount directly attributable to use by the buyer of the replaced vehicle prior to the time the buyer first delivered the vehicle to the manufacturer or distributor, or its authorized service and repair facility for correction of the problem that gave rise to the nonconformity. When restitution is made pursuant to subparagraph (B), the amount to be paid by the manufacturer to the buyer may be reduced by the manufacturer by that amount directly attributable to use by the buyer prior to the time the buyer first delivered the vehicle to the manufacturer or distributor, or its authorized service and repair facility for correction of the problem that gave rise to the nonconformity. The amount

directly attributable to use by the buyer shall be determined by multiplying the actual price of the new motor vehicle paid or payable by the buyer, including any charges for transportation and manufacturer-installed options, by a fraction having as its denominator 120,000 and having as its numerator the number of miles traveled by the new motor vehicle prior to the time the buyer first delivered the vehicle to the manufacturer or distributor, or its authorized service and repair facility for correction of the problem that gave rise to the nonconformity. Nothing in this paragraph shall in any way limit the rights or remedies available to the buyer under any other law.

(e) (1) It shall be presumed that a reasonable number of attempts have been made to conform a new motor vehicle to the applicable express warranties if, within one year from delivery to the buyer or 12,000 miles on the odometer of the vehicle, whichever occurs first, either (A) the same nonconformity has been subject to repair four or more times by the manufacturer or its agents and the buyer has at least once directly notified the manufacturer of the need for the repair of the nonconformity, or (B) the vehicle is out of service by reason of repair of nonconformities by the manufacturer or its agents for a cumulative total of more than 30 calendar days since delivery of the vehicle to the buyer. The 30-day limit shall be extended only if repairs cannot be performed due to conditions beyond the control of the manufacturer or its agents. The buyer shall be required to directly notify the manufacturer pursuant to subparagraph (A) only if the manufacturer has clearly and conspicuously disclosed to the buyer, with the warranty or the owner's manual, the provisions of this subdivision and that of subdivision (d), including the requirement that the buyer must notify the manufacturer directly pursuant to subparagraph (A). This presumption shall be a rebuttable presumption affecting the burden of proof, and it may be asserted by the buyer in any civil action, including an action in small claims court, or other formal or informal proceeding.

(2) If a qualified third party dispute resolution process exists, and the buyer receives timely notification in writing of the availability of that third party process with a description of its operation and effect, the presumption in paragraph (1) may not be asserted by the buyer until after the buyer has initially resorted to the third party process as required in paragraph (3). Notification of the availability of the qualified third party dispute resolution process is not timely if the buyer suffers any prejudice resulting from any delay in giving the notification. If a qualified third party dispute resolution process does not exist, or if the buyer is dissatisfied with that third party decision, or if the manufacturer or its agent neglects to promptly fulfill the terms of the qualified third party dispute resolution process decision after the decision is accepted by the buyer, the buyer may assert the presumption provided in paragraph (1) in an action to enforce the buyer's rights under subdivision (d). The findings and decision of a

qualified third party dispute resolution process shall be admissible in evidence in the action without further foundation. Any period of limitation of actions under any federal or California laws with respect to any person shall be extended for a period equal to the number of days between the date a complaint is filed with a third party dispute resolution process and the date of its decision or the date before which the manufacturer or its agent is required by the decision to fulfill its terms if the decision is accepted by the buyer, whichever occurs later.

(3) A qualified third party dispute resolution process shall be one that does all of the following:

(A) Complies with the minimum requirements of the Federal Trade Commission for informal dispute settlement procedures as set forth in Part 703 of Title 16 of the Code of Federal Regulations, as those regulations read on January 1, 1987.

(B) Renders decisions which are binding on the manufacturer if the buyer elects to accept the decision.

(C) Prescribes a reasonable time, not to exceed 30 days after the decision is accepted by the buyer, within which the manufacturer or its agent must fulfill the terms of its decisions.

(D) Provides arbitrators who are assigned to decide disputes with copies of, and instruction in, the provisions of the Federal Trade Commission's regulations in Part 703 of Title 16 of the Code of Federal Regulations as those regulations read on January 1, 1987, Division 2 (commencing with Section 2101) of the Commercial Code, and this chapter.

(E) Requires the manufacturer, when the process orders, under the terms of this chapter, either that the nonconforming motor vehicle be replaced if the buyer consents to this remedy or that restitution be made to the buyer, to replace the motor vehicle or make restitution in accordance with paragraph (2) of subdivision (d).

(F) Provides, at the request of the arbitrator or a majority of the arbitration panel, for an inspection and written report on the condition of a nonconforming motor vehicle, at no cost to the buyer, by an automobile expert who is independent of the manufacturer.

(G) Takes into account, in rendering decisions, all legal and equitable factors, including, but not limited to, the written warranty, the rights and remedies conferred in regulations of the Federal Trade Commission contained in Part 703 of Title 16 of the Code of Federal Regulations as those regulations read on January 1, 1987, Division 2 (commencing with Section 2101) of the Commercial Code, this chapter, and any other equitable considerations appropriate in the circumstances. Nothing in this chapter requires that, to be certified as a qualified third-party dispute resolution process pursuant to this section, decisions of the process must consider or provide remedies in the form of awards of punitive damages or multiple damages, under subdivision (c) of Section 1794, or of attorney's fees under subdivision (d) of Section 1794, or of

consequential damages other than as provided in subdivisions (a) and (b) of Section 1794, including, but not limited to, reasonable repair, towing, and rental car costs actually incurred by the buyer.

(H) Requires that no arbitrator deciding a dispute may be a party to the dispute and that no other person, including an employee, agent, or dealer for the manufacturer, may be allowed to participate substantively in the merits of any dispute with the arbitrator unless the buyer is allowed to participate also. Nothing in this paragraph prohibits any member of an arbitration board from deciding a dispute.

(I) Obtains and maintains certification by the Bureau of Automotive Repair pursuant to Chapter 20.5 (commencing with Section 9889.70) of Division 3 of the Business and Professions Code.

(4) For the purposes of subdivision (d) and this subdivision the following terms have the following meanings:

(A) "Nonconformity" means a nonconformity which substantially impairs the use, value, or safety of the new motor vehicle to the buyer or lessee.

(B) "New motor vehicle" means a new motor vehicle which is used or bought for use primarily for personal, family, or household purposes. "New motor vehicle" includes the chassis, chassis cab, and that portion of a motorhome devoted to its propulsion, but does not include any portion designed, used, or maintained primarily for human habitation, a dealer-owned vehicle and a "demonstrator" or other motor vehicle sold with a manufacturer's new car warranty but does not include a motorcycle or a motor vehicle which is not registered under the Vehicle Code because it is to be operated or used exclusively off the highways. A "demonstrator" is a vehicle assigned by a dealer for the purpose of demonstrating qualities and characteristics common to vehicles of the same or similar model and type.

(C) "Motorhome" means a vehicular unit built on, or permanently attached to, a self-propelled motor vehicle chassis, chassis cab, or van, which becomes an integral part of the completed vehicle, designed for human habitation for recreational or emergency occupancy.

(5) No person shall sell or lease a motor vehicle transferred by a buyer or lessee to a manufacturer pursuant to paragraph (2) of subdivision (d) unless the nature of the nonconformity experienced by the original buyer or lessee is clearly and conspicuously disclosed, the nonconformity is corrected, and the manufacturer warrants to the new buyer or lessee in writing for a period of one year that the motor vehicle is free of that nonconformity.

SEC. 3. Section 3016 of the Vehicle Code is amended to read:

3016. New motor vehicle dealers and other licensees under the jurisdiction of the board shall be charged fees sufficient to fully fund the board's activities other than those conducted pursuant to Section 9889.75 of the Business and Professions Code. The board may recover the direct cost of the activities required by Section 9889.75 of the

Business and Professions Code by charging the Bureau of Automotive Repair a fee which shall be paid by the bureau with funds appropriated from the Certification Account in the Automotive Repair Fund. All fees shall be deposited, and held separate from other moneys, in the Motor Vehicle Account in the State Transportation Fund, and shall not be transferred to the State Highway Account pursuant to Section 42273.

The fees shall be available, when appropriated, exclusively to fund the board's activities. If at the conclusion of any fiscal year the amount of fees collected exceeds the amount of expenditures for this purpose during the fiscal year, the surplus shall be carried over into the succeeding fiscal year.

CHAPTER 194

An act to amend Section 33421 of the Education Code, relating to educational services.

[Approved by Governor July 21, 1989 Filed with Secretary of State July 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 33421 of the Education Code is amended to read:

33421. Every private agency which receives state funds which may be audited pursuant to Section 33420 shall, at the request of the Superintendent of Public Instruction, make all records pertaining to its state-funded programs available to the Department of Education during regular business hours. The records shall be retained by each private agency for at least five years except for Child Nutrition Program records. Child Nutrition Program records shall be retained in accordance with regulations adopted by the United States Department of Agriculture relating to the retention of those records. However, in cases where an audit has been requested by a state agency or the United States Department of Agriculture which remains unresolved, the records shall be retained until the date the audit is resolved.

CHAPTER 195

An act relating to public property.

[Approved by Governor July 21, 1989 Filed with Secretary of State July 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The phrase "lawful governmental functions" as used in that certain deed from the Sacramento and San Joaquin Drainage District to the City of Rio Vista dated June 26, 1970, and recorded on August 17, 1970, in Book 1638 at Pages 686 to 688, inclusive, as Instrument No. 14530, shall mean any and all functions which may be carried out by a municipality, other than the sale of the real property described therein.

CHAPTER 196

An act to amend Section 26349 of the Government Code, relating to bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1989 Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 26349 of the Government Code is amended to read:

26349. The bonds issued under this chapter, except for those revenue bonds issued pursuant to Article 9 (commencing with Section 26400.50), shall be subject to investigation and certification by the Treasurer under the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code). If the Treasurer determines that the bonds are adequately secured and the revenues of the authority applicable to the payment thereof are or will be sufficient to pay the principal and interest of the bonds, and if the Treasurer certifies to that effect, the bonds shall be eligible as legal investments for both public and private funds in the same manner as provided in the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that bonds may be issued during 1989 to finance the improvements needed by county airports, it is necessary for this act

to take effect immediately.

CHAPTER 197

An act to add Section 1638.7 to the Elections Code, relating to polling places.

[Approved by Governor July 25, 1989 Filed with Secretary of State July 25, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1638.7 is added to the Elections Code, to read:

1638.7. A mobilehome may be used as a polling place if the county clerk determines that no other facilities are available for the convenient exercise of voting rights by mobilehome park residents and the mobilehome is designated as a polling place by the county clerk pursuant to Section 1638. No rental agreement shall prohibit the use of a mobilehome for those purposes.

CHAPTER 198

An act to add Article 5.5 (commencing with Section 798.53) to, and to repeal and add Article 5 (commencing with Section 798.50) of, Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 25, 1989 Filed with Secretary of State July 25, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Article 5 (commencing with Section 798.50) of Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code is repealed.

SEC. 2. Article 5 (commencing with Section 798.50) is added to Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code, to read:

Article 5. Homeowner Communications and Meetings

798.50. It is the intent of the Legislature in enacting this article to ensure that homeowners and residents of mobilehome parks have the right to peacefully assemble and freely communicate with one another and with others with respect to mobilehome living or for social or educational purposes.

798.51. No provision contained in any mobilehome park rental

agreement, rule, or regulation shall deny or prohibit the right of any homeowner or resident in the park to do any of the following:

(a) Peacefully assemble or meet in the park, at reasonable hours and in a reasonable manner, for any lawful purpose. Meetings may be held in the park community or recreation hall or clubhouse when the facility is not otherwise in use, and, with the consent of the homeowner, in any mobilehome within the park.

(b) Invite public officials, candidates for public office, or representatives of mobilehome owner organizations to meet with homeowners and residents and speak upon matters of public interest, in accordance with Section 798.50.

(c) Canvass and petition homeowners and residents for noncommercial purposes relating to mobilehome living, election to public office, or the initiative, referendum, or recall processes, at reasonable hours and in a reasonable manner, including the distribution or circulation of information.

798.52. Any homeowner or resident who is prevented by management from exercising the rights provided for in Section 798.51 may bring an action in a court of law to enjoin enforcement of any rule, regulation, or other policy which unreasonably deprives a homeowner or resident of those rights.

SEC. 3. Article 5.5 (commencing with Section 798.53) is added to Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code, to read:

Article 5.5. Homeowners Meetings with Management

798.53. The management shall meet and consult with the homeowners, upon written request, within 30 days of the request, either individually, collectively, or with representatives of a group of homeowners who have signed a request to be so represented on the following matters:

(a) Amendments to park rules and regulations.

(b) Standards for maintenance of physical improvements in the park.

(c) Addition, alteration, or deletion of service, equipment, or physical improvements.

(d) Rental agreements offered pursuant to Section 798.17.

Any collective meeting shall be conducted only after notice thereof has been given to all the requesting homeowners 10 days or more before the meeting.

CHAPTER 199

An act to amend Sections 32915 and 61378 of, and to add Article 4 (commencing with Section 36670) to Chapter 1 of Part 3 of Division 15 of, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1989. Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 32915 of the Food and Agricultural Code is amended to read:

32915. The labeling requirements of Sections 32912, 32913, and 32914 also apply to milk and cream which is sold in bulk to the wholesale trade and to milk and cream which is sold by any milk products plant for processing purposes. When any nonnutritive or artificial sweetener is added to any milk product or product resembling a milk product, the words "artificially sweetened" shall become a part of the name of the product, except milk products sweetened with sweeteners pursuant to Article 4 (commencing with Section 36670) of Chapter 1 of Part 3.

SEC. 2. Article 4 (commencing with Section 36670) is added to Chapter 1 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 4. Sweeteners

36670. Notwithstanding any other provision of law, sweeteners approved by the United States Food and Drug Administration for use in milk products may be added to milk products.

36671. Prior to the use of any sweetener in a dairy product, the sweetener must be approved by the United States Food and Drug Administration for use in that milk product or the applicable milk product category.

36672. Except as otherwise provided in this article, a milk product containing any sweetener shall be in conformance with all provisions of the applicable product definition and the identity standard specified in this division for the product.

36673. A milk product containing any sweetener not included in the product identity standard shall be labeled in accordance with Section 36674 and all federal requirements, including any necessary consumer warning language and all ingredient labeling regulations

36674. (a) The director shall approve the label and the name for any milk product containing any sweetener not included in the product identity standard.

(b) The director may approve any name which is accurate, descriptive, not misleading, and which is consistent with applicable

federal regulations. A milk product containing a sweetener not included in the product identity standard shall use a name that is modified by an appropriate word or words consistent with federal regulations.

(c) All words constituting the name of the product as approved by the director shall be in the same type size, style, and color.

36675. The director shall, within 60 days after the effective date of this article, develop and distribute guidelines applicable to food handling establishments which serve milk products intended for on-premise consumption for which packaging takes place at the point of sale to the consumer. The guidelines shall specify how the use of a sweetener not included in the product identity standard shall be noticed to the consumer, including the posting of any health warning required under federal regulations.

SEC. 3. Section 61378 of the Food and Agricultural Code is amended to read:

61378. (a) The allowance or gift of any money, credit, or compensation, or the lending of anything of value, to a wholesale customer for advertising or display in connection with the sale of dairy products classified as class 1, except flavored milks, yogurts, or soft fresh cheese (fromage frais), is an unlawful practice. The exception for flavored milk shall remain in effect only until January 1, 1992. Payments or loans regarding products that are exempt from the prohibition of this section apply only to those products which are sold under a seller's own registered brand. The cost of any such allowance shall be borne by the seller.

(b) Notwithstanding subdivision (a), a distributor may loan a wholesale customer refrigerated display cabinets at the rate of one cabinet per premises if all of the following conditions are met:

(1) The cabinets are owned or leased by the distributor making the loan.

(2) Only products exempt from the prohibition of this section owned by the distributor at the time of sale of the products to the wholesale customer are stored in the cabinets.

(3) The location of the cabinets between wholesale customer premises is changed at least once every three weeks with at least two weeks intervening between the date of removal of any such cabinet from the premises of a wholesale customer and the loan of another cabinet by the distributor for use at the same premises.

(4) The cost of any loan of a cabinet is borne by the owner or lessor of the cabinet.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become

operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide required milk standards and requirements to the public as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 200

An act to repeal and add Section 5134 of the Business and Professions Code, relating to accountancy, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1989 Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5134 of the Business and Professions Code is repealed.

SEC. 2. Section 5134 is added to the Business and Professions Code, to read:

5134. The amount of fees prescribed by this chapter is as follows:

(a) The fee to be charged to each applicant for the certified public accountant examination shall be fixed by the board at an amount to equal the actual cost to the board of the purchase or development of the written examination, plus the estimated cost to the board of administering the written examination and shall not exceed two hundred fifty dollars ($250). The board may charge a reexamination fee equal to the actual cost to the board of the purchase or development of the written examination or any of its component parts, plus the estimated cost to the board of administering the written examination and not to exceed fifty dollars ($50) for each part that is subject to reexamination.

(b) The fee to be charged to out-of-state candidates for the certified public accountant examination shall be fixed by the board at an amount equal to the estimated cost to the board of administering the examination and shall not exceed one hundred fifty dollars ($150) per candidate.

(c) The application fee to be charged to each applicant for issuance of a certified public accountant certificate shall be fixed by the board at an amount equal to the estimated administrative cost to the board of processing and issuing the certificate and shall not exceed two hundred fifty dollars ($250).

(d) The application fee to be charged to each applicant for issuance of a certified public accountant certificate by waiver of examination shall be fixed by the board at an amount equal to the estimated administrative cost to the board of processing and issuing the certificate and shall not exceed two hundred fifty dollars ($250).

(e) The fee to be charged to each applicant for registration shall be fixed by the board and shall not exceed one hundred fifty dollars ($150).

(f) The board shall fix the biennial renewal fee so that, together with the estimated amount from revenue other than that generated by subdivisions (a) to (d), inclusive, the reserve balance in the board's contingent fund shall be equal to approximately three months of annual authorized expenditures. Any increase in the renewal fee made after July 1, 1990, shall be effective upon a determination by the board, by regulation adopted pursuant to subdivision (k), that additional moneys are required to fund authorized expenditures other than those specified in subdivisions (a) to (d), inclusive, and maintain the board's contingent fund reserve balance equal to three months of estimated annual authorized expenditures in the fiscal year in which the expenditures will occur. The biennial renewal fee shall not exceed two hundred fifty dollars ($250).

(g) The delinquency fee shall be 50 percent of the accrued renewal fee.

(h) The initial permit fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the permit is issued, except that, if the permit is issued one year or less before it will expire, then the initial permit fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the permit is issued. The board may, by regulation, provide for the waiver or refund of the initial permit fee where the permit is issued less than 45 days before the date on which it will expire.

(i) The fee to be charged for filing of sponsor agreements for continuing education courses shall be fixed by the board at not more than one hundred dollars ($100). Universities, colleges, or other four-year institutions of learning accredited by a regional or national accrediting agency or association included in a list of those agencies or associations published by the United States Commissioner of Education under the requirements of Section 253 of the Veteran's Readjustment Assistance Act of 1952, known as Public Law 550 of the 82nd Congress, as amended, are exempted from the payment of this filing fee.

(j) The actual and estimated costs referred to in this section shall be calculated every two years using a survey of all costs attributable to the applicable subdivision.

(k) Upon the effective date of this section the board shall fix the fees in accordance with the limits of this section and, on and after July 1, 1990, any increase in any fee fixed by the board shall be pursuant

to regulation duly adopted by the board in accordance with the limits of this section.

(*l*) Fees collected pursuant to subdivisions (a) to (d), inclusive, shall be fixed by the board in amounts necessary to recover the actual costs of providing the service for which the fee is assessed, as projected for the fiscal year commencing on the date the fees become effective.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

There is an immediate need for revenues to fund an expanded enforcement program which is needed to reduce the backlog of complaint investigations involving certified public accountants, and to deal with the increasing licensing and enforcement workload of the State Board of Accountancy. Therefore, it is necessary that this act go into immediate effect.

CHAPTER 201

An act to amend Sections 35780 and 35780.5 of the Vehicle Code relating to vehicles.

[Approved by Governor July 25, 1989 Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 35780 of the Vehicle Code is amended to read:

35780. (a) The Department of Transportation or local authorities, with respect to highways under their respective jurisdictions, may, at their discretion upon application and if good cause appears, issue a special permit authorizing the applicant:

(1) To operate or move a vehicle or combination of vehicles or special mobile equipment of a size or weight of vehicle or load exceeding the maximum specified in this code.

(2) To use corrugations on the periphery of the movable tracks on a traction engine or tractor, the propulsive power of which is not exerted through wheels resting upon the roadway but by means of a flexible band or chain.

(3) Under emergency conditions, to operate or move a type of vehicle otherwise prohibited hereunder, upon any highway under the jurisdiction of the party granting the permit and for the maintenance of which the party is responsible.

(4) To operate or move a vehicle or combination of vehicles transporting loads composed of logs only for the purpose of crossing a highway from one private property to another without complying

with any or all of the equipment requirements of Division 12 (commencing with Section 24000) and Division 13 (commencing with Section 29000). These crossings shall be as near to a right angle to the roadway as is practical and shall not include any travel parallel to the roadway. The Department of Transportation shall determine standards and conditions upon which permits shall be issued and any permit not in compliance with those standards and conditions shall be invalid, except that a permit may contain more restrictive conditions if the issuing authority deems it appropriate.

(b) Under conditions prescribed by the Department of Transportation or the local authority, the Department of Transportation or local authority may accept applications made by, and issue permits directly to, an applicant or permit service by any of the following processes:

(1) In writing.

(2) By an authorized facsimile process.

(3) Through an authorized computer and modem connection.

SEC. 2. Section 35780.5 of the Vehicle Code is amended to read:

35780.5. (a) The Department of Transportation or local authorities, with respect to highways under their respective jurisdictions, may, upon application, issue a special permit authorizing the applicant to operate or move a vehicle carrying a load, lying in the horizontal position, of trusses as defined in Section 657, one-piece roof, floor, or wall units, or flat or formed metal products, of first manufacture, that are used as single width components in the manufacture of a finished product, that exceeds the maximum width specified by this code, if the load does not exceed 12 feet in width and the permittee complies with the regulations of the Department of Transportation or local authorities, as the case may be, governing the transportation of extra-legal loads.

(b) Under conditions prescribed by the Department of Transportation or the local authority, the Department of Transportation or local authority may accept applications made, and issue permits directly to an applicant or permit service, by any of the following processes:

(1) In writing.

(2) By an authorized facsimile process.

(3) Through an authorized computer and modem connection.

CHAPTER 202

An act to amend Section 31581.2 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor July 25, 1989. Filed with Secretary of State July 25, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 31581.2 of the Government Code is amended to read:

31581.2. The board of supervisors or the governing body of the district may, on recommendation of the board of retirement, agree to pay any portion of the contributions required to be paid by a member. All payments shall be in lieu of wages and shall be reported simply as normal contributions and shall be credited to member accounts.

The enactment of a resolution pursuant to this section adopting the recommendation of the board of retirement shall not create vested rights in any member. The board of supervisors or the governing body of the district may amend or repeal the resolution at any time, subject to the provisions of Sections 3504 and 3505, or any similar rule or regulation of the county or district.

SEC. 2. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 203

An act to amend Sections 34591, 37983, and 37985 of, and to repeal Section 36976 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 25, 1989. Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 34591 of the Food and Agricultural Code is

amended to read:

34591. Except as otherwise provided in this article, it is unlawful for any person to sell or otherwise dispose of any market milk, skim milk, flavored milk, flavored dairy drink, buttermilk, or cultured buttermilk to the retail trade, unless the product is contained in a standard milk bottle or in a single service container which has been mechanically filled and capped or sealed in a milkroom which is properly designed and equipped as approved by the director. The pouring lip of standard milk bottles used to package market milk and milk products sold at retail shall be covered at the time of capping or closure to at least its largest diameter by the cap or cover. A single service container shall meet the specifications of the United States Public Health Service Grade A Pasteurized Milk Ordinance Recommendations.

SEC. 2. Section 36976 of the Food and Agricultural Code is repealed.

SEC. 3. Section 37983 of the Food and Agricultural Code is amended to read:

37983. (a) The name of the food defined in this article shall be "reduced fat _____ cheese," "light _____ cheese," or "lite _____ cheese," with the blank to be filled in with the name of a cheese variety defined in this chapter or by regulations promulgated pursuant to subdivision (a) of Section 37402.

(b) The product name shall be presented in bold type on the principal display panel in a size reasonably related to the most prominent printed matter on the panel, and shall be in lines parallel to the base on which the package rests as it is designed to be displayed to the consumer.

(c) The label shall include a statement on the principal display panel clearly and concisely describing, in close conjunction with the name of the reduced fat cheese and in letters not less than one-half the height of the tallest letters used in the name of the product, a comparison of the fat content of the reduced fat cheese with the referenced, standard variety of the cheese.

SEC. 4. Section 37985 of the Food and Agricultural Code is amended to read:

37985. This article shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 204

An act to amend Sections 27333 and 27341 of the Elections Code, relating to elections.

[Approved by Governor July 25, 1989. Filed with Secretary of State July 25, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 27333 of the Elections Code is amended to read:

27333. If the recall prevails and a majority of those voting on the question of filling the vacancy favor a special election for that purpose, the legislative body shall at its next regular meeting call an election to be held to fill the vacancy not less than 88 nor more than 103 days after the date of the order. If a regular municipal election is to occur not more than 118 nor less than 88 days from the date of canvassing the vote the legislative body may provide for filling the vacancy at that regular municipal election instead of at a special election. If a special election is not favored by a majority of the voters, the legislative body shall at once fill the vacancy by appointment. In either case the person elected or appointed shall hold office for the unexpired term of the former incumbent.

The recalled officer may not be a candidate to succeed himself or herself at a special election held to fill the vacancy created by his or her recall or any other vacancy created by another recalled officer on the same governing board, nor may he or she be appointed by the legislative body to fill the vacancy created by his or her recall.

SEC. 2. Section 27341 of the Elections Code is amended to read:

27341. Nominations of candidates to succeed the recalled officer shall be made in the manner prescribed for nominating a candidate to that office in a regular election insofar as that procedure is consistent with this article. The following exceptions shall be made to that procedure:

(a) The nomination papers and the declaration of candidacy shall, in each case, be filed no less than 68 days prior to the date of the election and not before the day the order of the election is issued.

(b) If the clerk is required to certify to the governing board the names of the candidates to be placed on the ballot, that shall be done by the 64th day prior to the election.

(c) No person whose recall is being sought may be a candidate to succeed himself or herself at a recall election nor to succeed any other member of the same governing board whose recall is being sought at the same election.

CHAPTER 205

An act to amend Section 5566 of the Public Resources Code, relating to regional park, regional park and open-space, and regional open-space districts.

[Approved by Governor July 25, 1989 Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5566 of the Public Resources Code is amended to read:

5566. It is the intent of the Legislature to provide a district with authority to impose special taxes. A district may impose special taxes pursuant to the procedures set forth in Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. In exercising that authority, a district may establish a zone or zones and a rate of tax for each zone, which is to be applied uniformly to all taxpayers within the zone. All revenue from a tax levied in a zone shall be expended in connection with land and facilities that are located in that zone, including a reasonable amount thereof allocated for general administrative expenses of the district.

CHAPTER 206

An act to amend Sections 35781 and 35795 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 25, 1989 Filed with Secretary of State July 25, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 35781 of the Vehicle Code is amended to read:

35781. The Department of Transportation shall develop a standard application form for a permit. The application for a permit shall specifically describe the vehicle and load to be operated or moved and the particular highways over which permit to operate is requested, and whether the permit is requested for a single trip or for continuous operation. Local authorities shall use the standard application form developed by the Department of Transportation. The standard application form shall be developed in consultation with representatives of local government and the commercial trucking industry.

SEC. 2. Section 35795 of the Vehicle Code is amended to read:

35795. (a) The Department of Transportation may charge a fee for the issuance of permits pursuant to this article.

The fee schedule established by the Department of Transportation pursuant to this section shall be established by a regulation adopted pursuant to Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code, and shall not produce a total estimated revenue in excess of the estimated total cost to that department for administering this article. Special services necessitated by unusually large or heavy loads requiring engineering investigations, or other services, may be billed separately for each permit.

The funds collected by the Department of Transportation pursuant to this section shall be deposited in the State Highway Account in the State Transportation Fund.

(b) Local authorities may charge a fee for the issuance of permits pursuant to this article. However, the fee schedule established by a local authority pursuant to this section shall be established by ordinance or resolution adopted after notice and hearing, and the fee shall not exceed the fee schedule developed by the Department of Transportation pursuant to subdivision (a). The fee for the issuance of permits shall be developed in consultation with representatives of local government and the commercial trucking industry. Notice of the hearing shall be by publication as provided in Section 6064 of the Government Code. The hearing shall be held before the legislative body of the local authority. All objections shall be considered and interested parties shall be afforded an adequate opportunity to be heard in respect to their objections. Special services necessitated by unusually large or heavy loads requiring engineering investigations, escorts, tree trimming, or other services shall be billed separately for each permit.

Nothing in this section shall limit or restrict the application of Section 35782.

SEC. 3. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 207

An act to amend Sections 8051, 8052, 8552.2, 8552.4, 8552.6, and 8552.8 of, and to add Section 8104 to, the Fish and Game Code, and to amend Section 1 of Chapter 1505 of the Statutes of 1988, relating to commercial fishing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 25, 1989. Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8051 of the Fish and Game Code is amended to read:

8051. The landing tax imposed pursuant to Section 8041 shall be determined pursuant to Section 8042 by using the tax rates in the following schedule:

	Rate per pound
(a) All fish, except as otherwise specified in this section	$0.0013
(b) Mollusks and crustaceans excluding squid and crab	0.0125
(c) Crab and squid	0.0019
(d) Salmon based only on the weight in the round	0.0500
(e) Sardines	0.0063
(f) The following fish	0.0125
(1) Barracuda	
(2) Bluefin	
(3) Flying fish	
(4) Frogs	
(5) Giant sea bass	
(6) Halibut	
(7) Saltwater worms	
(8) White sea bass	
(9) Yellowtail	
(g) Anchovy	0.0006
Provided, however, that when the price paid as stated on the fish receipt required in accordance with Section 8043 is in excess of fifty dollars ($50) per ton, the tax on anchovy shall be $0.0013 per pound.	
(h) Herring	0.0125
(i) Thresher shark, bonito (mako) shark, or angel shark, based only on the weight in the round	0.0113
(j) Swordfish, based only on the weight in the round	0.0125

SEC. 2. Section 8052 of the Fish and Game Code is amended to read:

8052. Landing taxes shall be used only for the administration of laws relating to the commercial fishing industry, except as follows:

(a) Not less than 90 percent of the landing tax on herring taken for roe shall be expended for research and management activities to maintain and enhance the herring resources within the waters of this state.

(b) Not less than 90 percent of the landing tax on thresher shark or bonito (mako) shark shall be expended for the study required by, and for the costs of administering, Article 16 (commencing with Section 8560) of Chapter 2.

SEC. 3. Section 8104 is added to the Fish and Game Code, to read:

8104. Upon the death of a limited entry permittee, the permit shall vest in the permittee's estate or in the surviving community estate and may be transferred by the executor, administrator, personal representative, or surviving spouse to a qualified pointholder pursuant to Section 8552.2 or to a partner qualified pursuant to Section 8552.6. This transfer shall be initiated by notice to the department, in writing, sent by certified mail, within one year of the date of death. If no transfer is initiated within one year of the date of death, the permit shall revert to the department for disposition pursuant to Section 8552.4 and shall be thereafter treated as a herring permit that has not been renewed. The department may, upon written application, grant an extension of time up to one additional year for the transfer to be initiated.

SEC. 4. Section 8552.2 of the Fish and Game Code is amended to read:

8552.2. Notwithstanding Section 1052, a herring permit may be transferred from a herring permitholder to a nonpermitholder having a minimum of 20 or more herring fishery points, as follows: The permitholder shall mail, by certified or registered mail, to the department and every individual listed on the department's list of maximum 20 or more point herring fishery participants, his or her notice of intention to transfer his or her herring permit, which notice shall specify the gear type to be used under the herring permit; the name, address, and telephone number of the transferor and proposed transferee; and the amount of consideration, if any, sought by the transferor. Sixty days after mailing the notice, the transferor may transfer the permit to any person having 20 or more experience points without the necessity for giving further notice if the transfer occurs within six months of the date the original notice was given. Transfers after that six-month period shall require another 60-day notice of intention to be given. No person may hold more than one herring permit. A true copy of the notice of intention to transfer a permit shall be filed with the department by the transferor under penalty of perjury and shall be available for public review.

SEC. 5. Section 8552.4 of the Fish and Game Code is amended to read:

8552.4. Herring permits that are revoked or not renewed may be offered by the department for a drawing to persons having 20 or more experience points in the fishery on the first Friday of August of each year.

SEC. 6. Section 8552.6 of the Fish and Game Code is amended to read:

8552.6. (a) Notwithstanding Section 8552, a herring permit may be issued to two individuals if the individuals are married to each other and file with the department a certified copy of their certificate of marriage and a declaration under penalty of perjury, or a court order, stating that the permit is community property or if (1) both are engaged in the herring roe fishery either by fishing aboard the vessel or by personally participating in the management, administration, and operation of the partnership's herring fishing business and (2) there is a partnership constituting equal, 50 percent, ownership in a herring fishery operation, including a vessel or equipment, and that partnership is demonstrated by any two of the following:

(A) A copy of a federal partnership tax return.

(B) A written partnership agreement.

(C) Joint ownership of a fishing vessel used in the herring fishery as demonstrated on federal vessel license documents.

(b) For purposes of this section, a herring permit does not constitute a herring fishing operation. A herring permit may be transferred to one of the partners to be held thereafter in that partner's name only if that partner has not less than 10 points computed pursuant to paragraph 2 or subdivision (a) of Section 8552.8 and there has been a death or retirement of the other partner, a dissolution of partnership, or the partnership is dissolved by a dissolution of marriage or decree of legal separation. A transfer under this section shall be authorized only if proof that the partnership has existed for three or more consecutive years is furnished to the department or a certified copy of a certificate of marriage is on file with the department and the permit is community property as provided in subdivision (a). The transferor of a permit shall not by reason of the transfer become ineligible to participate further in the herring fishery or to purchase another permit.

SEC. 7. Section 8552.8 of the Fish and Game Code is amended to read:

8552.8. (a) For purposes of this article, the experience points for a person engaged in the herring roe fishery shall be based on the number of years holding a commercial fishing license and the number of years having served as a crewmember in the herring roe fishery, and determined by the sum of both of the following:

(1) One point for each year in the previous 12 years (prior to the current license year) that the person has held a commercial fishing license issued pursuant to Section 7852, not to exceed a maximum of 10 points.

(2) Five points for one year of service as a paid crewmember in the herring roe fishery, as determined pursuant to Section 8559, using the type of year that is authorized under the herring permit to be obtained, three points for a second year of service as a paid crewmember, and two points for a third year as a paid crewmember,

beginning with the 1978–79 herring fishing season, not to exceed a maximum of 10 points.

(b) The department shall maintain a list of all individuals possessing the maximum of 20 experience points and of all those persons holding two points or more, grouped in a list by number of points. The list shall be maintained annually and shall be available from the department to all pointholders and to all herring permittees. All pointholders are responsible to provide the department with their current address and to verify points credited to them by the department.

(c) A herring permittee may use the department's list and rely upon that list in making offers for transfer of his or her permit until the date of the annual distribution of the new list. On and after the date of the annual revision of the list, the permittee shall use the new list.

(d) The point provisions in this section are for purposes of sale of a permit or transfer to a partner of a coowned permit.

SEC. 8. Section 1 of Chapter 1505 of the Statutes of 1988 is amended to read:

Section 1. The Legislature finds and declares that the restricted transfer of permits in the herring roe fishery is necessary to provide an incentive for those no longer wishing to engage in those fisheries due to health, age, or entry into other fisheries or employment to retire from the fishery, to protect the community property interest of spouses and the interest of families upon dissolution of marriage or death of a permittee, and to allow those seeking to enter the fishery an opportunity to obtain a permit by making available more permits pursuant to this restricted transfer method than would otherwise become available only through death or forfeiture of the permits. No increase in the number of permits issued shall result from this act and no permit shall be divisible into two or more permits.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect the community property interests of spouses and the interests of families upon the dissolution of marriage or death of a herring permittee, it is necessary that this act take effect immediately.

CHAPTER 208

An act to amend Section 54221 of the Government Code, relating to local government.

[Approved by Governor July 25, 1989. Filed with Secretary of State July 25, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 54221 of the Government Code is amended to read:

54221. (a) As used in this article, the term "local agency" means every city, whether organized under general law or by charter, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property.

(b) As used in this article, the term "surplus land" means land owned by any agency of the state, or any local agency, that is determined to be no longer necessary for the agency's use, except property being held by the agency for the purpose of exchange.

(c) As used in this article, the term "open-space purposes" means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(d) As used in this article, the term "persons and families of low or moderate income" means the same as provided under Section 50093 of the Health and Safety Code.

(e) As used in this article, the term "exempt surplus land" means either of the following:

(1) Surplus land which is transferred pursuant to Section 25539.4.

(2) Surplus land which is (A) less than 5,000 square feet in area, (B) less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less, or (C) has no record access and is less than 10,000 square feet in area; and is not contiguous to land owned by a state or local agency which is used for park, recreational, open-space, or low- and moderate-income housing purposes and is not located within an enterprise zone pursuant to Section 7073 nor a designated program area as defined in Section 7082. If the surplus land is not sold to an owner of contiguous land, it is not considered exempt surplus land and is subject to the provisions of this article.

(f) Notwithstanding subdivision (e), the following properties are not considered exempt surplus land and are subject to the provisions of this article:

(1) Lands within the coastal zone.

(2) Lands within 1,000 yards of a historical unit of the State Parks System.

(3) Lands within 1,000 yards of any property that has been listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(4) Lands within the Lake Tahoe region as defined in Section 66905.5.

CHAPTER 209

An act to amend the heading of Article 10 (commencing with Section 37641) of Chapter 4 of Part 3 of Division 15 of, to amend the heading of Article 31 (commencing with Section 38791) of Chapter 5 of Part 3 of Division 15 of, to amend Sections 37402, 37404, 37644, 37645, 37646, 37647, 37648, 37649, 37650, 37651, 37652, 38792, 38801, and 38802 of, and to add Sections 37643.5, 38796, and 38804 to, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 26, 1989. Filed with Secretary of State July 27, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 37402 of the Food and Agricultural Code is amended to read:

37402. (a) All varieties of cheese, except the varieties which are established in this chapter, are special varieties and shall conform to the standards of composition and labeling requirements which are adopted by the director by regulations.

(b) Dry curd cottage cheese, cottage cheese, nonfat cottage cheese, and lowfat cottage cheese shall conform to regulations adopted by the director. The regulations which are adopted pursuant to this subdivision shall conform, as far as possible, to, and not be more burdensome than, the rules, regulations, and standards of the current Code of Federal Regulations applicable to dry curd cottage cheese, cottage cheese, nonfat cottage cheese, and lowfat cottage cheese.

SEC. 2. Section 37404 of the Food and Agricultural Code is amended to read:

37404. Milk, cream, and milk products used in the manufacture of dry curd cottage cheese, cottage cheese, nonfat cottage cheese, and lowfat cottage cheese shall be market milk, market cream, or derivatives of market milk.

SEC. 2.5. The heading of Article 10 (commencing with Section 37641) of Chapter 4 of Part 3 of Division 15 of the Food and Agricultural Code is amended to read:

Article 10. Cottage Cheese

SEC. 3. Section 37643.5 is added to the Food and Agricultural Code, to read:

37643.5. Nonfat cottage cheese is soft, uncured cheese prepared

by mixing dry curd cottage cheese with a dressing. The milk fat content shall be less than 0.5 percent by weight of the finished product. The moisture content shall not be more than 84 percent.

SEC. 4. Section 37644 of the Food and Agricultural Code is amended to read:

37644. For the purposes of this article, dry curd cottage cheese, cottage cheese, nonfat cottage cheese, or lowfat cottage cheese made from goat's milk are special varieties of cheese.

SEC. 5. Section 37645 of the Food and Agricultural Code is amended to read:

37645. Notwithstanding any provision of Section 37975 to the contrary, if dry curd cottage cheese, cottage cheese, nonfat cottage cheese, or lowfat cottage cheese is made from certified raw milk, it shall be labeled as being made from certified raw milk.

SEC. 6. Section 37646 of the Food and Agricultural Code is amended to read:

37646. The packaging of dry curd cottage cheese, cottage cheese, nonfat cottage cheese, and lowfat cottage cheese, and the addition of milk products to dry curd cottage cheese to make cottage cheese or nonfat cottage cheese or lowfat cottage cheese shall take place only in a licensed milk products plant.

SEC. 7. Section 37647 of the Food and Agricultural Code is amended to read:

37647. The standards for moisture and fat for cottage cheese, nonfat cottage cheese, and lowfat cottage cheese to which any chives, fruits, or vegetables are added may be reduced by the percentage amount of those additions.

SEC. 8. Section 37648 of the Food and Agricultural Code is amended to read:

37648. If chives are added to cottage cheese, nonfat cottage cheese, or lowfat cottage cheese, the product shall contain a sufficient amount of properly cured fresh or frozen chives to impart the characteristic flavor of chives to the finished product.

SEC. 9. Section 37649 of the Food and Agricultural Code is amended to read:

37649. If fruit is added to cottage cheese, nonfat cottage cheese, or lowfat cottage cheese, whether the fruit is a single variety or a combination of two or more varieties, the amount which is added shall not be less than 10 percent and not more than 25 percent by weight of the finished product.

SEC. 10. Section 37650 of the Food and Agricultural Code is amended to read:

37650. If vegetables are added to cottage cheese, nonfat cottage cheese, or lowfat cottage cheese, whether the vegetables are a single variety or a combination of two or more varieties, the amount which is added shall not be less than 5 percent and not more than 20 percent by weight of the finished product.

SEC. 11. Section 37651 of the Food and Agricultural Code is amended to read:

37651. Any fruit or vegetable which is added to cottage cheese, nonfat cottage cheese, or lowfat cottage cheese shall be clean and sound. It shall be frozen, canned, or dried, or have been heated to pasteurization temperature as specified in Section 34001.

SEC. 12. Section 37652 of the Food and Agricultural Code is amended to read:

37652. In addition to the labeling provisions of Article 21 (commencing with Section 37971) any chives, fruits, or vegetables which are added to cottage cheese or nonfat cottage cheese or lowfat cottage cheese shall be shown on the principal display panel following the product name with the word "and" or "with" preceding the common or usual name of the chives, fruits, or vegetables added.

SEC. 13. The heading of Article 31 (commencing with Section 38791) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is amended to read:

Article 31. Eggnog and Light Eggnog

SEC. 14. Section 38792 of the Food and Agricultural Code is amended to read:

38792. Eggnog may contain edible stabilizer in an amount not to exceed six-tenths of 1 percent. It shall contain not less than 1 percent by weight of wholesome fresh egg yolk solids or the equivalent amount of egg yolk solids obtained from wholesome frozen egg yolks or from wholesome dried egg yolks or the equivalent amount in other approved form.

SEC. 15. Section 38796 is added to the Food and Agricultural Code, to read:

38796. Light eggnog shall conform to all standards and requirements for eggnog except that light eggnog shall contain not more than 3 percent milkfat. Each quart of light eggnog shall, within the limits of good manufacturing practice, contain at least 2000 international units of Vitamin A. Light eggnog shall be labeled as "Light Eggnog" or "Lite Eggnog".

SEC. 16. Section 38801 of the Food and Agricultural Code is amended to read:

38801. Sour half-and-half or light sour cream is a pasteurized market milk product which has been fermented by the addition of pure cultures of one or more strains of lactic acid bacteria so that the product contains a minimum of 0.20 percent acidity calculated as lactic acid. It may contain added milk solids which are derived from market milk, salt, harmless edible stabilizers, emulsifiers, or coagulating enzymes not to exceed six-tenths of 1 percent by weight. It shall contain not less than 6 percent, or more than 12 percent, milk fat. It may contain safe and suitable nutritive sweeteners and ingredients that extend the shelf life of the product. If nutritive sweetener in an amount sufficient to characterize the product is added without the addition of characterizing flavoring, the name of

the product on the label shall be preceded by the word "sweetened". Each fluid ounce serving shall, within the limits of good manufacturing practice, contain at least 175 international units of Vitamin A.

SEC. 17. Section 38802 of the Food and Agricultural Code is amended to read:

38802. (a) Sour half-and-half or light sour cream may contain distinctive flavorings composed of seasonings, fruits, vegetables, seafood, meat, cheeses, or spices.

(b) When distinctive flavorings are added to sour half-and-half or light sour cream, it shall contain not less than 4.8 percent milk fat.

SEC. 18. Section 38804 is added to the Food and Agricultural Code, to read:

38804. Sour half-and-half or light sour cream may be labeled as "Lite Sour Cream".

SEC. 19. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 20. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide required dairy product standards and lawful compliance with those standards as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 210

An act to amend Sections 19491, 19596.6, and 19614 of, and to add Section 19619.7 to, the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 26, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19491 of the Business and Professions Code is amended to read:

19491. (a) Subject to Sections 19491.5 and 19491.6, and except as

provided in Section 19491.7, every association which conducts a racing meeting shall pay as an additional license fee one-half of the breakage deducted pursuant to Section 19597 on the first twenty-four million dollars ($24,000,000) or less, excluding wagering at a satellite wagering facility, of the total amount handled in the parimutuel pools relating to its meeting and all of the breakage deducted on amounts so handled in excess of twenty-four million dollars ($24,000,000), excluding wagering at a satellite wagering facility.

(b) Every association which conducts a racing meeting shall distribute the remaining one-half of the breakage deducted pursuant to Section 19597 on the first twenty-four million dollars ($24,000,000) or less, excluding wagering at a satellite wagering facility, of the total amount handled in the parimutuel pools relating to the meeting as additional purses and for additional commissions in the same proportion, as between purses and commissions, as provided in Sections 19611, 19612, 19612.5, 19612.6, and 19614.

(c) Notwithstanding subdivision (b), one-half of all the breakage deducted pursuant to Section 19597 at fair racing meetings shall be retained and distributed as additional commissions.

Payment of the fee shall be made weekly on account during each meeting, and the amount attributable to breakage shall be reported as a separate item.

SEC. 2. Section 19596.6 of the Business and Professions Code, as amended by Section 4 of Chapter 74 of the Statutes of 1989, is amended to read:

19596.6. (a) Notwithstanding any other provision of law, subject to the conditions and limitations set forth in this section and Section 19596.7, the following entities in the central or southern zone are eligible to be licensed to operate a satellite wagering facility for wagering on races conducted in the central or southern zone:

(1) Any county fair, district agricultural association fair, or citrus fruit fair which conducted general fair activities in 1986 within the central or southern zone, and which is eligible for an allocation of racing days pursuant to Section 19549, but which is not licensed to conduct a racing meeting, may locate a satellite wagering facility at its fairgrounds.

(2) Any association licensed to conduct a racing meeting in the central or southern zone.

(b) The board may authorize an eligible association or, with the approval of the Department of Food and Agriculture, an eligible fair, to operate a satellite wagering facility under all of the following conditions:

(1) A racing association licensed to conduct a racing meeting shall conduct satellite wagering only within its racing inclosure.

(2) An organization described in subdivision (c) of Section 19596.4 has executed an agreement approved by the board with the association conducting a racing meeting and the satellite wagering facility. The agreement shall provide, among other things, the conditions for transmission of the signal and that the wagers made at

the satellite wagering facility are included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering have been approved by the board.

(5) Any association or fair that operates a satellite wagering facility shall conduct wagering on all racing conducted in the central or southern zone that is offered to that satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on either a day meeting or a night meeting, as determined by the board, and, if sustaining a loss on either a day meeting or a night meeting, as long as that loss is not reimbursed by either an organization described in subdivision (c) of Section 19596.4 or an association.

In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility which would be incurred regardless of the acceptance of night wagers shall be considered.

(c) Notwithstanding subdivision (a), a satellite wagering facility may not be located within the County of Los Angeles or within the County of Orange, except as follows:

(1) If all other conditions in subdivision (b) are met, the Fiftieth District Agricultural Association may be authorized to operate a satellite wagering facility upon its fairgrounds in the City of Lancaster and to accept wagers on races conducted in the southern and central zones.

(2) If all other conditions are met, any fair or association licensed to conduct racing meetings in the County of Los Angeles and any racing association other than a fair which is licensed to conduct racing in the County of Orange may be authorized to operate a satellite wagering facility for the limited purpose of conducting satellite wagering on races conducted at the Twenty-Second District Agricultural Association fairgrounds at Del Mar in the County of San Diego, except that, when a fair in Orange County is licensed for a racing meeting, a satellite wagering facility located within the racing inclosure where the racing meeting is conducted may not operate on the days that racing is conducted.

(d) The total percentage deducted from wagers at satellite wagering facilities shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(1) On thoroughbred meetings only, 2.5 percent of the amount

handled by the satellite wagering facility on conventional wagers and 4 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and four-tenths of 1 percent shall be deposited with the official registering agency for California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(2) On harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1.5 percent of the amount handled by the satellite wagering facility on conventional wagers and 3 percent on exotic wagers shall be distributed to the state as a license fee, 2 percent shall be retained by the satellite wagering facility as a commission, and 6 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in subdivision (c) of Section 19596.4, and, in the case of quarter horses, four-tenths of 1 percent shall be distributed as breeders' awards to breeders of quarter horses pursuant to Section 19617.6, and, in the case of Appaloosas, four-tenths of 1 percent shall be distributed as breeders' awards to breeders of Appaloosas and, in the case of standardbreds, four-tenths of 1 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619 and, in the case of thoroughbreds, four-tenths of 1 percent shall be deposited with the official registering agency for California-bred thoroughbred racehorses for distribution pursuant to Section 19617, and one-tenth of 1 percent of the amount wagered at the satellite wagering facility shall be distributed to the Equine Research Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that these one-tenth of 1 percent funds to the Equine Research Laboratory shall supplement and not supplant other funding sources.

(3) In addition, on thoroughbred meetings and harness, quarter horse, Appaloosa, mixed breed, or fair meetings, 1 percent shall be distributed to an organization described in subdivision (c) of Section 19596.4 for promotion of the program at satellite wagering facilities. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year, and if promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. Additionally, thirty-three hundredths of 1 percent of the total amount handled by the satellite

wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) On thoroughbred meetings only, the funds remaining after distribution of the amounts in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent as purses to the horsemen participating in the racing meeting, except that owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting. All of the funds distributed for purses from satellite wagering facilities shall go to the purse program of the association conducting the racing meeting, except that all sums for distribution as purses at satellite wagering facilities which are racing fairs in the County of Los Angeles shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated to the Department of Food and Agriculture for supplementing purses at fair meetings in Los Angeles and Orange Counties. The department shall distribute these funds on an equal basis to each racing fair in these counties for distribution in all nonstakes races and among all breeds.

(f) On harness, quarter horse, Appaloosa, mixed breed, and fair meetings, the funds remaining after distribution of the amounts set forth in subdivision (d) shall be distributed 50 percent as commissions to the racing association which conducts the racing meeting and 50 percent to the horsemen in the form of purses participating in the racing meeting, except that, for meetings commencing on or after the effective date of the amendments to this subdivision enacted at the 1987–88 Regular Session of the Legislature, owners' premiums shall be paid from the amount distributed for purses in the same relative percentage as owners' premiums are paid at the racing meeting.

(g) Notwithstanding subdivision (e), when satellite wagering is conducted on thoroughbred races at associations or fairs, an amount, not to exceed 1.25 percent of the total amount handled by all satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to administer, pursuant to supervision of the board, a fund to provide reimbursement for offsite stabling at board-approved auxiliary training facilities of licensed racing associations for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, and for the vanning of starters from these additional stalls on race days for thoroughbred horses.

(h) The funds distributed to the organization formed pursuant to subdivision (g) shall be used to reimburse racing associations who are operating offsite stabling providing additional stalls for the incremental increase in operating costs directly resulting from providing the stabling. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity operating the offsite stabling facility where the injury occurred, shall be liable for any injury to any jockey, exercise person, owner, trainer, or any employee or agent thereof, or any horse occurring at any offsite stabling facility.

The funds shall also reimburse horsemen for the cost of vanning starting horses from a board-approved auxiliary training facility operated by a licensed racing association to the track conducting the racing meeting. Horsemen may use carriers of their own choice, except that the amount of reimbursement to horsemen is limited to the amount that the organization determines is generally charged by carriers for vanning from the auxiliary training facility to the track conducting the racing meeting. Neither the organization administering the offsite stabling and vanning program nor any of the entities forming and operating the organization, except the entity actually engaged in vanning horses, shall be liable for any injury occurring to any individual or horse during vanning from an offsite stabling facility.

The training facilities and amenities provided for offsite stabling and training purposes shall be equivalent in character to those provided during racing meetings of the association.

Upon the request of any party within the organization, the board shall adjudicate any dispute regarding costs, or other matters relating to the furnishing of offsite stabling or vanning. The board may, if necessary, appoint an independent auditor to assist in the resolution of disputes. The auditor shall be reimbursed from the funds of the organization.

The organization may maintain a reserve fund of up to 10 percent of the total estimated annual vanning and stabling costs. In addition to the reserve fund, if the funds generated for offsite stabling and vanning are insufficient to fully reimburse racing associations for expenses incurred during the offsite vanning and stabling program, the organization is entitled to accumulate sufficient funds to fully reimburse these expenses.

The amount initially deducted and distributed to the organization shall be 1.25 percent of the total amount handled by satellite wagering facilities authorized under this section on thoroughbred racing, but that allocation may be adjusted by the board, in its discretion, but the adjusted amount may not exceed 1.25 percent of the total amount handled by satellite wagering facilities, to pay expenses and maintain the reserve fund for the continuing support of the program.

(i) Forty-two percent of the revenue payable to the state from

license fees from satellite wagering facilities located at fairs under the authority of this section shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated from that account to the Department of Food and Agriculture, for allocation by the Director of Food and Agriculture, in his or her discretion, for the following purposes, except that the concurrence of the Director of Finance shall be obtained for allocations for the purposes of paragraphs (1) and (2):

(1) For repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers authority, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities.

(3) For health and safety repair projects at the fair.

(4) For support purposes of the fair generally.

(j) The remaining 58 percent of the revenues payable to the state from satellite wagering facilities at fairs and all revenues payable to the state from satellite wagering facilities located under the authority of this section at sites other than fairs shall be deposited in the General Fund.

(k) Notwithstanding subdivision (b) of Section 19641, the state shall receive as additional license fees 50 percent of any redistributable money in a parimutuel pool arising from wagers at a satellite wagering facility, subject to payment to a claimant pursuant to Section 19598, but not successfully claimed within that period, and the funds shall be deposited in the General Fund. The remaining 50 percent of redistributable money in a parimutuel pool arising from

wagers at a satellite wagering facility shall be paid to a welfare fund established by the horsemen's organization contracting with the association conducting the racing meeting for the benefit of horsemen, and that organization shall make an accounting to the board within one calendar year of the receipt of the payment.

(*l*) Of the total breakage arising in a parimutuel pool which includes wagers at satellite wagering facilities, that percentage of breakage equal to the percentage that wagers placed at satellite wagering facilities constitute of the total parimutuel pool shall be distributed equally among the state as an additional license fee deposited in the General Fund, the track conducting the racing meeting as a commission, and the horsemen participating in the racing meeting in the form of purses. The remainder of the breakage shall be distributed in the same manner as breakage arising from wagers at the track conducting the racing meeting.

(m) Notwithstanding subdivision (f) of Section 19596.5 and subdivision (i) of this section, if the revenues deposited in the separate account pursuant to those subdivisions (f) and (i) are in excess of the eleven million dollars ($11,000,000) in any fiscal year, one-half of the amount in excess of eleven million dollars ($11,000,000) shall be transferred to the General Fund.

SEC. 3. Section 19614 of the Business and Professions Code is amended to read:

19614. (a) Notwithstanding Sections 19611 and 19612, and except for an association that qualifies pursuant to Section 19612.6 or 19614.1, the California Exposition and State Fair or a district or county fair shall pay a daily license fee based on its conventional and exotic parimutuel handle, excluding wagering at a satellite wagering facility, at the following rates:

Daily Handle	License Fee Rate
$500,000 or less	2.5 percent of the handle.
$500,000 to $1,000,000	$12,500 plus 3.5 percent of the handle in excess of $500,000.
$1,000,000 to $1,500,000	$30,000 plus 3.75 percent of the handle in excess of $1,000,000.
$1,500,000 or more	$48,740 plus 5 percent of the handle in excess of $1,500,000.

No fair racing association shall pay a license fee under this section in excess of 4.5 percent of its daily parimutuel handle, excluding wagering at a satellite wagering facility.

(b) After distribution of the applicable license fees as set forth in subdivision (a), all funds remaining from the deductions provided in Section 19610 shall be distributed 48 percent as commissions and 52 percent as purses.

Any additional amount generated for purses and not distributed during the previous corresponding meeting shall be added to the purses at the current meeting.

(c) In addition to the amounts deducted pursuant to Section 19610, any fair racing association shall deduct 1 percent from the total amount handled in its daily conventional and exotic parimutuel pools. The additional 1 percent shall be deposited in the Fair and Exposition Fund and is hereby appropriated for the purposes specified in Section 19627.2.

SEC. 4. Section 19619.7 is added to the Business and Professions Code, to read:

19619.7. (a) Notwithstanding any other provision of this chapter, this section applies to all racing fairs in the central and southern zones.

(b) Any purse money required by law to be paid by any fair in the central and southern zones, which has been accumulated from racing meetings prior to 1989, shall be added by that fair, in equal amounts, to purses to be distributed at its next four racing meetings commencing in 1989.

(c) In 1989 and subsequent years, a fair in the central and southern zones shall annually distribute purses equivalent to all purse money generated at its meetings from live racing and satellite wagering during that year and from other sources as provided in this chapter.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for this act to take effect and apply during the 1989 central and southern fair racing season which commences in September of this year, it is necessary that this act take effect immediately.

CHAPTER 211

An act to add Section 7902.8 to the Government Code, relating to appropriations limits.

[Approved by Governor July 26, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7902.8 is added to the Government Code, to read:

7902.8. Notwithstanding any other provision of law, with respect to any special district formed during the 1978–79 fiscal year which initially was totally funded by other than the proceeds of taxes, and which subsequently, during the 1980–81 fiscal year, imposed a special

tax with voter approval, the appropriations limit of such an entity, unless otherwise established pursuant to law, shall be deemed established by the electors at the election approving the special tax as that amount equal to the proceeds of taxes received during the first full fiscal year in which proceeds of taxes were received, and shall thereafter be adjusted in any manner which may be required or permitted by Article XIII B of the California Constitution.

CHAPTER 212

An act to amend Sections 32103, 32121, 32126.5, and 32132 of the Health and Safety Code, relating to hospital districts.

[Approved by Governor July 26, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 32103 of the Health and Safety Code is amended to read:

32103. The board of directors shall serve without compensation except that the board of directors, by a resolution adopted by a majority vote of the members of the board, may authorize the payment of not to exceed one hundred dollars ($100) per meeting not to exceed five meetings a month as compensation to each member of the board of directors.

Each member of the board of directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the district as approved by the board.

SEC. 2. Section 32121 of the Health and Safety Code is amended to read:

32121. Each local hospital district shall have and exercise the following powers:

(a) To have and use a corporate seal and alter it at its pleasure.

(b) To sue and be sued in all courts and places and in all actions and proceedings whatever.

(c) To purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the district.

(d) To exercise the right of eminent domain for the purpose of acquiring real or personal property of every kind necessary to the exercise of any of the powers of the district.

(e) To establish one or more trusts for the benefit of the district, to administer any trust declared or created for the benefit of the district, to designate one or more trustees for trusts created by the

district, to receive by gift, devise, or bequest, and hold in trust or otherwise, property, including corporate securities of all kinds, situated in this state or elsewhere, and where not otherwise provided, dispose of the same for the benefit of the district.

(f) To employ legal counsel to advise the board of directors in all matters pertaining to the business of the district, to perform the functions in respect to the legal affairs of the district as the board may direct, and to call upon the district attorney of the county in which the greater part of the land in the district is situated for legal advice and assistance in all matters concerning the district, except that if that county has a county counsel, the directors may call upon the county counsel for legal advice and assistance.

(g) To employ any officers and employees, including architects and consultants, the board of directors deems necessary to carry on properly the business of the district.

(h) To prescribe the duties and powers of the hospital administrator, secretary, and other officers and employees of any hospitals of the district, to establish offices as may be appropriate and to appoint board members or employees to those offices, and to determine the number of, and appoint, all officers and employees and to fix their compensation. The officers and employees shall hold their offices or positions at the pleasure of the boards of directors.

(i) To do any and all things which an individual might do which are necessary for, and to the advantage of, a hospital and a nurses' training school, or a child care facility for the benefit of employees of the hospital or residents of the district.

(j) To establish, maintain and operate one or more health facilities or health services, including, but not limited to, outpatient programs, services and facilities, retirement programs, services and facilities, chemical dependency programs, services and facilities, or other health care programs, services and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.

"Health facilities," as used in this subdivision, means those facilities defined in either Section 15432 of the Government Code or Section 1250 of this code and specifically includes free standing chemical dependency recovery units.

(k) To do any and all other acts and things necessary to carry out this division.

(*l*) To acquire, maintain, and operate ambulances or ambulance services within and without the district.

(m) To establish, maintain, and operate, or provide assistance in the operation of, free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and any other health care services provider groups and organizations which are necessary for the maintenance of good physical and mental health in the communities served by the district.

(n) To establish and operate in cooperation with its medical staff

a coinsurance plan between the hospital district and the members of its attending medical staff.

(o) To establish, maintain, and carry on its activities through one or more corporations, joint ventures, or partnerships for the benefit of the hospital district.

(p) (1) To transfer with or without consideration, any part of its assets to one or more nonprofit corporations to operate and maintain the assets for the benefit of the communities served by the district. The initial members of the board of directors of the nonprofit corporation or corporations shall be approved by the board of directors of the hospital district and shall be residents of the district. This subdivision does not invalidate or affect any transfers made prior to March 1, 1985, pursuant to this subdivision.

(2) Nothing in this section, including subdivision (j), shall be construed to permit a local hospital district to obtain or be issued a single consolidated license to operate a separate physical plant as a skilled nursing facility or an intermediate care facility which is not located within the boundaries of the hospital district.

(q) To contract for bond insurance, letters of credit, remarketing services, and other forms of credit enhancement and liquidity support for its bonds, notes, and other indebtedness and to enter into reimbursement agreements, monitoring agreements, remarketing agreements, and similar ancillary contracts in connection therewith.

SEC. 3. Section 32126.5 of the Health and Safety Code is amended to read:

32126.5. In the enactment of recent legislation, the United States Congress has recognized the need to provide health care coverage to employees of small businesses and others who may not now have the benefit of this coverage. The Legislature recognizes this need and believes that district hospitals, being strategically located in both rural and urban areas of the state, possess the skilled medical staffs and facilities required to furnish this coverage. Therefore, this section authorizes a local hospital district to enter into joint exercise of power agreements with other hospital districts to provide health care coverage to those persons not otherwise covered.

The board of directors may do any of the following when it determines that the action is necessary for the provision of adequate health services within the district:

(a) Enter into contracts with health provider groups, community service groups and independent physicians and surgeons for the provision of health services.

(b) Provide assistance or make grants to nonprofit provider groups and clinics already functioning in the community.

(c) Finance experiments with new methods of providing adequate health care.

(d) Undertake those activities necessary to participate in, or manage, capitated health care plans, health maintenance organizations, preferred provider organizations, and other managed health care systems. However, no such activity shall be deemed to

result in or constitute the giving or lending of the district's credit, assets, surpluses, cash, or tangible goods to, or in aid of, any person, association, or corporation in violation of Section 6 of Article XVI of the California Constitution.

This section does not authorize activities which corporations and other artificial legal entities are prohibited from conducting by Section 2400 of the Business and Professions Code.

(e) Study the feasibility of providing health care coverage for employees of employers operating within the service area of the participating hospital district. A district shall not actually provide health care coverage pursuant to this section or any other provision of law unless the Legislature specifically authorizes the service. If the Legislature authorizes a district to provide health care coverage, a district shall not provide health care coverage within the service area of another hospital district unless it obtains the consent of the other district.

SEC. 4. Section 32132 of the Health and Safety Code is amended to read:

32132. (a) Except as otherwise provided in this section, the board of directors shall let any contract involving an expenditure of more than twenty-five thousand dollars ($25,000) for materials and supplies to be furnished, sold, or leased to the district, or any contract involving an expenditure of more than twenty-five thousand dollars ($25,000) for work to be done, to the lowest responsible bidder who shall give the security the board requires, or else reject all bids.

(b) Subdivision (a) shall not apply to medical or surgical equipment or supplies or to professional services, including data processing programs or software.

(c) Bids need not be secured for change orders which do not materially change the scope of the work as set forth in a contract previously made if such contract was made after compliance with bidding requirements, and if each individual change order does not total more than 5 percent of such contract.

(d) As used in this section, "medical or surgical equipment or supplies" includes only equipment or supplies commonly, necessarily, and directly used by, or under the direction of, a physician and surgeon in caring for or treating a patient in a hospital.

(e) Nothing in this section shall prevent any district hospital from participating as a member of any organization described in Section 23704 of the Revenue and Taxation Code, nor shall this section apply to any purchase made, or services rendered, by the organization on behalf of a district hospital which is a member of the organization.

CHAPTER 213

An act to amend Section 48900.1 of the Education Code, and to add Section 230.7 to the Labor Code, relating to education.

[Approved by Governor July 26, 1989. Filed with Secretary of State July 27, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 48900.1 of the Education Code is amended to read:

48900.1. (a) The governing board of each school district shall adopt a policy authorizing teachers to provide that the parent or guardian of a pupil who has been suspended by a teacher pursuant to Section 48910 for reasons specified in subdivision (i) or (k) of Section 48900, attend a portion of a schoolday in his or her child's or ward's classroom. The policy shall take into account reasonable factors that may prevent compliance with a notice to attend. The attendance of the parent or guardian shall be limited to the class from which the pupil was suspended.

(b) The policy shall be adopted pursuant to the procedures set forth in Sections 35291 and 35291.5. Parents and guardians shall be notified of this policy prior to its implementation. A teacher shall apply any policy adopted pursuant to this section uniformly to all pupils within the classroom.

The adopted policy shall include the procedures that the district will follow to accomplish the following:

(1) Ensure that parents or guardians who attend school for the purposes of this section meet with the school administrator or his or her designee after completing the classroom visitation and before leaving the schoolsite.

(2) Contact parents or guardians who do not respond to the request to attend school pursuant to this section.

(c) If a teacher imposes the procedure pursuant to subdivision (a), the principal shall send a written notice to the parent or guardian stating that attendance by the parent or guardian is pursuant to law. This section shall apply only to a parent or guardian who is actually living with the pupil.

(d) A parent or guardian who has received a written notice pursuant to subdivision (c) shall attend class as specified in the written notice. The notice may specify that the parent's or guardian's attendance be on the day in which the pupil is scheduled to return to class, or within a reasonable period of time thereafter, as established by the policy of the board adopted pursuant to subdivision (a).

SEC. 2. Section 230.7 is added to the Labor Code, to read:

230.7. (a) No employer shall discharge or in any manner discriminate against an employee who is the parent or guardian of

a pupil for taking time off to appear in the school of a pupil pursuant to a request made under Section 48900.1 of the Education Code, if the employee, prior to taking the time off, gives reasonable notice to the employer that he or she is requested to appear in the school.

(b) Any employee who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because the employee has taken time off to appear in the school of a pupil pursuant to a request made under Section 48900.1 of the Education Code shall be entitled to reinstatement and reimbursement for lost wages and work benefits caused by those acts of the employer.

CHAPTER 214

An act to amend Section 402 of the Penal Code, relating to crimes.

[Approved by Governor July 26, 1989 Filed with Secretary of State July 27, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 402 of the Penal Code is amended to read:

402. (a) Every person who goes to the scene of an emergency, or stops at the scene of an emergency, for the purpose of viewing the scene or the activities of police officers, firefighters, emergency medical, or other emergency personnel, or military personnel coping with the emergency in the course of their duties during the time it is necessary for emergency vehicles or those personnel to be at the scene of the emergency or to be moving to or from the scene of the emergency for the purpose of protecting lives or property, unless it is part of the duties of that person's employment to view that scene or activities, and thereby impedes police officers, firefighters, emergency medical, or other emergency personnel or military personnel, in the performance of their duties in coping with the emergency, is guilty of a misdemeanor.

(b) Every person who knowingly resists or interferes with the lawful efforts of a lifeguard in the discharge or attempted discharge of an official duty in an emergency situation, when the person knows or reasonably should know that the lifeguard is engaged in the performance of his or her official duty, is guilty of a misdemeanor.

(c) For the purposes of this section, an emergency includes a condition or situation involving injury to persons, damage to property, or peril to the safety of persons or property, which results from a fire, an explosion, an airplane crash, flooding, windstorm damage, a railroad accident, a traffic accident, a power plant accident, a toxic chemical or biological spill, or any other natural or human-caused event.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 215

An act to amend Sections 5093.54 and 5093.545 of, and to add Section 5093.542 to, the Public Resources Code, relating to wild and scenic rivers.

[Approved by Governor July 26, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5093.54 of the Public Resources Code is amended to read:

5093.54. The following rivers and segments thereof are designated as components of the system:

(a) Klamath River. The main stem from 100 yards below Iron Gate Dam to the Pacific Ocean; the Scott River from the mouth of Shackleford Creek west of Fort Jones to the river mouth near Hamburg; the Salmon River from Cecilville Bridge to the river mouth near Somesbar; the North Fork of the Salmon River from the intersection of the river with the south boundary of the Marble Mountain Wilderness Area to the river mouth; Wooley Creek from the western boundary of the Marble Mountain Wilderness Area to its confluence with the Salmon River.

(b) Trinity River. The main stem from 100 yards below Lewiston Dam to the river mouth at Weitchpec; the North Fork of the Trinity from the intersection of the river with the southern boundary of the Salmon-Trinity Primitive Area downstream to the river mouth at Helena; New River from the intersection of the river with the southern boundary of the Salmon-Trinity Primitive Area downstream to the river mouth near Burnt Ranch; South Fork of the Trinity from the junction of the river with State Highway Route 36 to the river mouth near Salver.

(c) Smith River. The main stem from the confluence of the Middle and South Forks to its mouth at the Pacific Ocean; the Middle Fork from its source about three miles south of Sanger Lake as depicted on 1956 USGS 15' "Preston Peak" topographic map to the

middle of Section 7 T17N R5E; the Middle Fork from the middle of Section 7 T17N R5E to the middle of Section 6 T17N R5E; the Middle Fork from the middle of Section 6 T17N R5E to one-half mile upstream from the confluence with Knopki Creek; the Middle Fork from one-half mile upstream from the confluence with Knopki Creek to the confluence with the South Fork; Myrtle Creek from its source in Section 9 T17N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the middle of Section 28 T17N R1E; Myrtle Creek, from the middle of Section 28 T17N R1E to the confluence with the Middle Fork; Shelly Creek from its source in Section 1 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Patrick Creek; Kelly Creek from its source in Section 32 T17N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the Middle Fork; Packsaddle Creek from its source about 0.8 miles southwest of Broken Rib Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to the eastern boundary of Section 3 T17N R1E; Packsaddle Creek from the eastern boundary of Section 3 T17N R4E to the northern boundary of Section 3 T17N R4E; Packsaddle Creek from the northern boundary of Section 3 T17N R4E to the confluence with the Middle Fork; East Fork Patrick Creek from its source in Section 10 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with West Fork Patrick Creek; West Fork Patrick Creek from its source in Section 18 T18N R3E as depicted on 1951 15' "Gasquet" topographic map to the confluence with East Fork Patrick Creek; Griffin Creek from its source about 0.2 miles southwest of Hazel View Summit as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Middle Fork; Knopki Creek from its source about 0.4 miles west of Sanger Peak as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with Middle Fork; Monkey Creek from its source in the northeast quadrant of Section 12 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the northern boundary of Section 26 T18N R3E; Monkey Creek from the northern boundary of Section 26 T18N R3E to the confluence with the Middle Fork; Patrick Creek from the junction of the East and West Forks of Patrick Creek to the confluence with Middle Fork; the North Fork from the California-Oregon boundary to the confluence with an unnamed tributary in the northern quarter Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map; the North Fork from the confluence with an unnamed tributary in northern quarter of Section 5 T18N R2E to the southern-most intersection of eastern boundary Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map; the North Fork from the southern-most intersection of the eastern boundary Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Stony Creek; the North Fork from the confluence with Stony Creek to the confluence with the Middle Fork; Diamond Creek from the California-Oregon state boundary to the confluence with High

Plateau Creek; Diamond Creek from the confluence with High Plateau Creek to the confluence with the North Fork; Bear Creek from its source in Section 24 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Diamond Creek; Still Creek from its source in Section 11 T18N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the confluence with the North Fork Smith River; North Fork Diamond Creek from the California-Oregon state boundary to the confluence with Diamond Creek; High Plateau Creek from its source in Section 26 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to northern boundary Section 23 T18N R2E; High Plateau Creek from the northern boundary Section 23 T18N R2E to the confluence with Diamond Creek; the Siskiyou Fork from its source about 0.7 miles southeast of Broken Rib Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the South Siskiyou Fork; the Siskiyou Fork from its confluence with the South Siskiyou Fork to the confluence with the Middle Fork; the South Siskiyou Fork from its source about 0.6 miles southwest of Buck Lake as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Siskiyou Fork the South Fork from its source about 0.5 miles southwest of Bear Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to Blackhawk Bar; the South Fork from Blackhawk Bar to the confluence with the Middle Fork; Williams Creek from its source in Section 31 T14N R4E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Eight Mile Creek; Eight Mile Creek from its source in Section 29 T14N R4E as depicted on 1955 USGS 15' "Dillon Mountain" topographic map to the confluence with the South Fork; the Prescott Fork from its source about 0.5 miles southeast of Island Lake as depicted on 1955 USGS 15' "Dillon Mountain" topographic map to the confluence with the South Fork; Quartz Creek from its source in Section 31 T16N R4E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork; Jones Creek from its source in Section 36 T16N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the middle of Section 5 T15N R3E; Jones Creek from the middle of Section 5 T15N R3E to the confluence with the South Fork; Hurdygurdy Creek from its source about 0.4 miles southwest of Bear Basin Butte as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the South Fork; Gordon Creek from its source in Section 18 T16N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the South Fork; Coon Creek from the junction of the two-source tributaries in the southwest quadrant of Section 31 T17N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the western boundary Section 14 T16N R2E; Coon Creek from the western boundary Section 14 T16N R2E to the confluence with the South Fork; Craigs Creek from its source in Section 36 T17N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the South Fork; Buck Creek from its source at Cedar

Camp Spring as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork; Muzzleloader Creek from its source in Section 2 T15N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Jones Creek; Canthook Creek from its source in Section 2 T15N R2E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with South Fork.

(d) Eel River. The main stem from 100 yards below Van Arsdale Dam to the Pacific Ocean; the South Fork of the Eel from the mouth of Section Four Creek near Branscomb to the river mouth below Weott; Middle Fork of the Eel from the intersection of the river with the southern boundary of the Middle Eel-Yolla Bolly Wilderness Area to the river mouth at Dos Rios; North Fork of the Eel from the Old Gilman Ranch downstream to the river mouth near Ramsey; Van Duzen River from Dinsmores Bridge downstream to the river mouth near Fortuna.

(e) American River. The North Fork from its source to the Iowa Hill Bridge; the Lower American from Nimbus Dam to its junction with the Sacramento River.

(f) (1) West Walker River. The main stem from its source to the confluence with Rock Creek near the town of Walker; Leavitt Creek from Leavitt Falls to the confluence with the main stem of the West Walker River.

(2) Carson River. The East Fork from the Hangman's Bridge crossing of State Highway Route 89 to the California-Nevada border.

(3) The Legislature finds and declares that, because the East Fork Carson River and West Walker River are interstate streams, and a source of agricultural water and domestic water for communities within the counties of Alpine and Mono where they originate, it is necessary that the following special provisions apply:

(A) Nothing in this subdivision shall be construed to prohibit the replacement of diversions or changes in the purpose of use, place of use, or point of diversion under existing water rights, except that (i) no such replacement or change shall operate to increase the adverse effect, if any, of the preexisting diversion facility or place or purpose of use, upon the free-flowing condition and natural character of the stream, and (ii) after January 1, 1990, no new diversion shall be constructed unless and until the secretary determines that the facility is needed to supply domestic water to the residents of any county through which the river or segment flows and that the facility will not adversely affect the free-flowing condition and natural character of the stream.

(B) Nothing in this chapter shall be construed as quantifying or otherwise affecting any equitable apportionment, or as establishing any upper limit, between the State of California and the State of Nevada of the waters of these streams.

(g) Other rivers which qualify for inclusion in the system may be recommended to the Legislature by the secretary.

SEC. 2. Section 5093.542 is added to the Public Resources Code,

to read:

5093.542. The Legislature finds and declares that the McCloud River possesses extraordinary resources in that it supports one of the finest wild trout fisheries in the state. Portions of the river have been appropriately designated by the Fish and Game Commission, pursuant to Chapter 7.2 (commencing with Section 1725) of Division 2 of the Fish and Game Code, as wild trout waters, with restrictions on the taking, or method of taking, of fish. The Legislature has determined, based upon a review of comprehensive technical data evaluating resources and potential beneficial uses, that potential beneficial uses must be balanced, in order to achieve protection of the unique fishery resources of the McCloud River, as follows:

(a) The continued management of river resources in their existing natural condition represents the best way to protect the unique fishery of the McCloud River. The Legislature further finds and declares that maintaining the McCloud River in its free-flowing condition to protect its fishery is the highest and most beneficial use of the waters of the McCloud River within the segments designated in subdivision (b), and is a reasonable use of water within the meaning of Section 2 of Article X of the California Constitution.

(b) No dam, reservoir, diversion, or other water impoundment facility shall be constructed on the McCloud River from Algoma to the confluence with Huckleberry Creek, and 0.25 mile downstream from the McCloud Dam to the McCloud River Bridge; nor shall any such facility be constructed on Squaw Valley Creek from the confluence with Cabin Creek to the confluence with the McCloud River.

(c) Except for participation by the Department of Water Resources in studies involving the technical and economic feasibility of enlargement of Shasta Dam, no department or agency of the state shall assist or cooperate with, whether by loan, grant, license, or otherwise, any agency of the federal, state, or local government in the planning or construction of any dam, reservoir, diversion, or other water impoundment facility that could have an adverse effect on the free-flowing condition of the McCloud River, or on its wild trout fishery.

(d) All state agencies exercising powers under any other provision of law with respect to the protection and restoration of fishery resources shall continue to exercise those powers in a manner to protect and enhance the fishery of those segments designated in subdivision (b). In carrying out this subdivision, any exercise of powers shall be consistent with Section 5093.58.

(e) Nothing in this section shall prejudice, alter, affect in any way, or interfere with the construction, maintenance, repair, or operation by the Pacific Gas and Electric Company of the existing McCloud-Pit development (FERC 2106) under its license, or prevent Pacific Gas and Electric from constructing a hydroelectric generating facility by retrofitting the existing McCloud Dam if the operation of the facility does not alter the existing flow regime below the dam.

SEC. 3. Section 5093.545 of the Public Resources Code is amended to read:

5093.545. The classifications heretofore established by the secretary for the rivers or segments of rivers included in the system are revised and adopted as follows:

Rivers	Classification
(a) Klamath River: The Klamath River from the FERC Project 2082 downstream boundary in Section 17 T47N R5W as shown on Exhibit K-7 sheet 1 dated May 25, 1962, to the river mouth at the Pacific Ocean	Recreational
(b) Scott River:	
(1) The Scott River from Shackleford Creek to McCarthy Creek	Recreational
(2) The Scott River from McCarthy Creek to Scott Bar	Scenic
(3) The Scott River from Scott Bar to the confluence with the Klamath River	Recreational
(c) Salmon River:	
(1) The Salmon River from the Forks of Salmon to the Lewis Creek confluence	Recreational
(2) The Salmon River from the Lewis Creek confluence to the Wooley Creek confluence	Scenic
(3) The Salmon River from the Wooley Creek confluence to the confluence with the Klamath River	Recreational
(4) The South Fork of the Salmon River from Cecilville to St. Claire Creek confluence	Recreational
(5) The South Fork from St. Claire Creek confluence to the Matthews Creek confluence	Scenic
(6) The South Fork from Matthews Creek confluence to the Forks of Salmon	Recreational
(7) The North Fork of the Salmon River from Marble Mountain Wilderness boundary to Mule Bridge Campground in Section 35 T12N R11W and Section 12 T11N R11W	Wild
(8) The North Fork from Mule Bridge Campground to the Forks of Salmon	Recreational
(9) Wooley Creek from the Marble Mountain Wilderness Area boundary to ½ mile upstream of the confluence with Salmon River	Wild

(10) Wooley Creek downstream ½ mile above the confluence with the Salmon River	Recreational
(d) Trinity River:	
(1) The Trinity River from 100 yards below Lewiston Dam to Cedar Flat Creek confluence	Recreational
(2) The Trinity River from Cedar Flat Creek confluence to Gray Falls	Scenic
(3) The Trinity River from Gray Falls to the west boundary of Section 2 T8N R4E	Recreational
(4) The Trinity River from the west boundary of Section 2 T8N R4E to the confluence with the Klamath River at Weitchpec	Scenic
(5) The North Fork of the Trinity River from the Trinity Alps Primitive Area boundary to north boundary Section 20 T34N R11W	Wild
(6) The North Fork from the north boundary Section 20 T34N R11W to mouth	Recreational
(7) The South Fork Trinity River from Forest Glen to Hidden Valley Ranch	Wild
(8) The South Fork from Hidden Valley Ranch to the Naufus Creek confluence in Section 8 T1N R7E	Scenic
(9) The South Fork from the Naufus Creek confluence in Section 8 T1N R7E to Johnson Creek confluence near the boundary of Sections 13 and 14 T2N R6E	Wild
(10) The South Fork from Johnson Creek confluence near the boundary of Sections 13 and 14 T2N R6E to the boundary of Sections 25 and 36 T2N R6E	Scenic
(11) The South Fork from the boundary of Sections 25 and 36 T2N R6E to the footbridge near the mouth of Underwood Creek in Section 17 T4N R6E Humboldt Base and Meridian	Recreational
(12) The South Fork from the footbridge near the mouth of Underwood Creek in Section 17 T4N R6E to Todd Ranch in Section 18 T5N R5E	Wild
(13) The South Fork from Todd Ranch in Section 18 T5N R5E to the conflu-	

ence with Main Trinity	Scenic
(14) New River from the Salmon Trinity Primitive Area boundary to the junction with the East Fork New River in Section 23 T7N R7E	Wild
(15) New River from the Junction with the East Fork New River in Section 23 T7N R7E to 100 yards below Panther Creek Campground in Section 18 T6N R7E	Recreational
(16) New River from 100 yards below Panther Creek Campground in Section 18 T6N R7E to Dyer Creek confluence in Section 25 T26N R6E	Scenic
(17) New River from Dyer Creek confluence in Section 25 T26N R6E to the confluence with Trinity River	Wild
(e) Smith River:	
(1) Smith River from the confluence of the Middle and South Forks to its mouth at the Pacific Ocean	Recreational
(2) Middle Fork Smith River from its source about 3 miles south of Sanger Lake as depicted on 1956 USGS 15′ "Preston Peak" topographic map to the middle of Section 7 T17N R5E	Wild
(3) Middle Fork Smith River from the middle of Section 7 T17N R5E to the middle of Section 6 T17N R5E	Scenic
(4) Middle Fork Smith River from middle of Section 6 T17N R5E to one-half mile upstream from the confluence with Knopki Creek	Wild
(5) Middle Fork Smith River from one-half mile upstream from the confluence with Knopki Creek to the confluence with South Fork Smith River	Recreational
(6) Myrtle Creek from its source in Section 9 T17N R1E as depicted on 1952 USGS 15′ "Crescent City" topographic map to the middle of Section 28 T17N R1E	Recreational
(7) Myrtle Creek from the middle of Section 28 T17N R1E to the confluence with the Middle Fork Smith River	Recreational
(8) Shelly Creek from its source in Section 1 T18N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the confluence with Patrick	

Creek	Recreational
(9) Kelly Creek from its source in Section 32 T17N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the confluence with the Middle Fork Smith River	Recreational
(10) Packsaddle Creek from its source about 0.8 miles southwest of Broken Rib Mountain as depicted on 1956 USGS 15′ "Preston Peak" topographic map to the eastern boundary of Section 3 T17N R1E	Recreational
(11) Packsaddle Creek from the eastern boundary of Section 3 T17N R4E to the northern boundary of Section 3 T17N R4E	Recreational
(12) Packsaddle Creek from the northern boundary of Section 3 T17N R4E to the confluence with the Middle Fork of Smith River	Recreational
(13) East Fork Patrick Creek from its source in Section 10 T18N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the confluence with the West Fork Patrick Creek	Recreational
(14) West Fork Patrick Creek from its source in Section 18 T18N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the confluence with the East Fork Patrick Creek	Recreational
(15) Griffin Creek from its source about 0.2 miles southwest of Hazel View Summit as depicted on 1956 USCS 15′ "Preston Peak" topographic map to the confluence with the Middle Fork Smith River	Recreational
(16) Knopki Creek from its source about 0.4 miles west of Sanger Peak as depicted on 1956 USGS 15′ "Preston Peak" topographic map to the confluence with the Middle Fork Smith River	Recreational
(17) Monkey Creek from its source in the northeast quadrant of Section 12 T18N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the northern boundary of Section 26 T18N R3E	Recreational
(18) Monkey Creek from the northern	

boundary of Section 26 T18N R3E to the confluence with the Middle Fork of Smith River	Recreational
(19) Patrick Creek from the junction of East and West Forks of Patrick Creek to the confluence with the Middle Fork Smith River	Recreational
(20) North Fork Smith River from the California-Oregon boundary to the confluence with an unnamed tributary in the northern quarter Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map	Wild
(21) North Fork Smith River from the confluence with an unnamed tributary in the northern quarter of Section 5 T18N R2E to the southern-most intersection of the eastern boundary of Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map	Scenic
(22) North Fork Smith River from the southern most intersection of the eastern boundary Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Stony Creek	Wild
(23) North Fork Smith River from the confluence with Stony Creek to the confluence with the Middle Fork of the Smith River	Recreational
(24) Diamond Creek from the California-Oregon state boundary to the confluence with High Plateau Creek	Recreational
(25) Diamond Creek from the confluence with High Plateau Creek to the confluence with the North Fork Smith River	Recreational
(26) Bear Creek from its source in Section 24 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Diamond Creek	Recreational
(27) Still Creek from its source in Section 11 T18N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the confluence with the North Fork Smith River	Recreational
(28) North Fork Diamond Creek from the	

California-Oregon state boundary to the confluence with Diamond Creek	Recreational
(29) High Plateau Creek from its source in Section 26 T18N R2E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the northern boundary Section 23 T18N R2E	Recreational
(30) High Plateau Creek from the northern boundary Section 23 T18N R2E to the confluence with Diamond Creek	Recreational
(31) Siskiyou Fork of Smith River from its source about 0.7 miles southeast of Broken Rib Mountain as depicted on 1956 USGS 15′ "Preston Peak" topographic map to the confluence with the South Siskiyou Fork of the Smith River	Wild
(32) Siskiyou Fork of the Smith River from the confluence with the South Siskiyou Fork of the Smith River to the confluence with the Middle Fork of the Smith River	Recreational
(33) South Siskiyou Fork of the Smith River from its source about 0.6 miles southwest of Buck Lake as depicted on 1956 USGS 15′ "Preston Peak" topographic map to the confluence with the Siskiyou Fork of the Smith River	Wild
(34) South Fork Smith River from its source about 0.5 miles southwest of Bear Mountain as depicted on 1956 USGS 15′ "Preston Peak" topographic map to Blackhawk Bar	Wild
(35) South Fork Smith River from Blackhawk Bar to the confluence with the Middle Fork Smith River	Recreational
(36) Williams Creek from its source in Section 31 T14N R4E as depicted on 1952 USGS 15′ "Ship Mountain" topographic map to the confluence with Eight Mile Creek	Recreational
(37) Eight Mile Creek from its source in Section 29 T14N R4E as depicted on 1955 USGS 15′ "Dillon Mtn." topographic map to the confluence with the South Fork Smith River	Recreational
(38) Prescott Fork of the Smith River from	

its source about 0.5 miles southeast of Island Lake as depicted on 1955 USGS 15′ "Dillon Mtn." topographic map to the confluence with the South Fork Smith River	Recreational
(39) Quartz Creek from its source in Section 31 T16N R4E as depicted on 1952 USGS 15′ "Ship Mountain" topographic map to the confluence with the South Fork Smith River	Recreational
(40) Jones Creek from its source in Section 36 T16N R3E as depicted on 1952 USGS 15′ "Ship Mountain" topographic map to the middle of Section 5 T15N R3E	Recreational
(41) Jones Creek from the middle of Section 5 T15N R3E to the confluence with the South Fork of the Smith River	Recreational
(42) Hurdygurdy Creek from its source about 0.4 miles southwest of Bear Basin Butte as depicted on 1956 USGS 15′ "Preston Peak" topographic map to the confluence with the South Fork Smith River	Recreational
(43) Gordon Creek from its source in Section 18 T16N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the confluence with the South Fork Smith River	Recreational
(44) Coon Creek from the junction of the two source tributaries in the southwest quadrant of Section 31 T17N R3E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the western boundary of Section 14 T16N R2E	Recreational
(45) Coon Creek from the western boundary of Section 14 T16N R2E to the confluence with the South Fork Smith River	Recreational
(46) Craigs Creek from its source in Section 36 T17N R2E as depicted on 1951 USGS 15′ "Gasquet" topographic map to the confluence with the South Fork Smith River	Recreational
(47) Buck Creek from its source at Cedar Camp Spring as depicted on 1952 USGS 15′ "Ship Mountain" topo-	

graphic map to the confluence with the South Fork Smith River — Recreational

(48) Muzzleloader Creek from its source in Section 2 T15N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Jones Creek — Recreational

(49) Canthook Creek from its source in Section 2 T15N R2E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork Smith River — Recreational

(f) Eel River:

(1) The Eel River from 100 yards below Van Arsdale Dam to the confluence with Tomki Creek — Recreational

(2) The Eel River from the confluence with Tomki Creek to the middle of Section 22 T19N R12W — Scenic

(3) The Eel River from the middle of Section 22 T19N R12W to the boundary between Sections 7 and 8 T19N R12W — Recreational

(4) The Eel River from the boundary between Sections 7 and 8 T19N R12W to the confluence with Outlet Creek — Wild

(5) The Eel River from the confluence with Outlet Creek to the mouth at the Pacific Ocean — Recreational

(6) The South Fork of the Eel River from the mouth of Section Four Creek near Branscomb — Recreational

(7) The South Fork of the Eel River from Horseshoe Bend to the middle of Section 29 T23N R16W — Wild

(8) The South Fork of the Eel River from the middle of Section 29 T23N R16W to the confluence with the main Eel near Weott — Recreational

(9) Middle Fork of the Eel River from the intersection of the river with the southern boundary of the Middle Eel-Yolla Bolly Wilderness Area to the Eel River Ranger Station — Wild

(10) The Middle Fork of the Eel River from Eel River Ranger Station to Williams Creek — Recreational

(11) The Middle Fork of the Eel River

from Williams Creek to the southern boundary of the northern quarter of Section 25 T22N R12W	Scenic
(12) The Middle Fork of the Eel River from the southern boundary of the northern quarter of Section 25 T22N R12W to the boundary between Sections 4 and 5 T21N R13W	Wild
(13) The Middle Fork of the Eel River from the boundary between Sections 4 and 5 T21N R13W to the confluence with main Eel at Dos Rios	Recreational
(14) The North Fork of the Eel River from the Old Gilman Ranch to the middle of Section 8 T24N R13W	Wild
(15) The North Fork of the Eel River from the middle of Section 8 T24N R13W to the boundary between Sections 12 and 13 T24N R14W	Recreational
(16) The North Fork of the Eel River from the boundary between Sections 12 and 13 T24N R14W to the confluence with main Eel	Wild
(g) Van Duzen River:	
(1) The Van Duzen River from the Dinsmore Bridge to the powerline crossing above Little Larribee Creek	Scenic
(2) The Van Duzen River from the powerline crossing above Little Larribee Creek to the confluence with Eel River	Recreational
(h) Lower American River: The Lower American River from Nimbus Dam to its junction with the Sacramento River	Recreational
(i) North Fork American River:	
(1) The North Fork from the source of the North Fork American River to two and one-half miles above the Forest Hill-Soda Springs Road	Wild
(2) The North Fork from two and one-half miles above the Forest Hill-Soda Springs Road to one-half mile below the Forest Hill-Soda Springs Road	Scenic
(3) The North Fork from one-half mile below the Forest Hill-Soda Springs Road to one-quarter mile above the Iowa Hill Bridge	Wild
(4) The North Fork from one-quarter mile above the Iowa Hill Bridge to	

the Iowa Hill Bridge	Scenic
(j) West Walker River:	
(1) West Walker River from Tower Lake to northern boundary of Section 10 (T5N, R22E)	Wild
(2) West Walker River from northern boundary of Section 10 (T5N, R22E) to the eastern boundary of Section 23 (T6N, R22E)	Scenic
(3) West Walker River from the eastern boundary of Section 23 (T6N, R22E) to the eastern boundary of Section 24 (T6N, R22E)	Recreational
(4) West Walker River from the eastern boundary of Section 24 (T6N, R22E) to the confluence with Little Walker River	Scenic
(5) West Walker River from the confluence with Little Walker River to the confluence with Rock Creek	Recreational
(6) Leavitt Creek from Leavitt Falls to the confluence with West Walker River	Scenic
(k) East Fork Carson River: East Fork Carson from Hangman's Bridge crossing of state Highway 89 to the California-Nevada border	Scenic

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CHAPTER 216

An act to amend and repeal Section 15814.15 of the Government Code, and to amend and repeal Section 25008.5 of the Public Resources Code, relating to energy resources.

[Approved by Governor July 26, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 15814.15 of the Government Code is amended to read:

15814.15. (a) The board may issue revenue bonds pursuant to Chapter 5 (commencing with Section 15830) to finance the cost of cogeneration equipment, alternative energy equipment, and conservation measures constituting the public buildings authorized by this chapter. The total amount of revenue bonds authorized to be issued pursuant to this section in each of the 10 fiscal years beginning

with the 1982–83 fiscal year is fifty million dollars ($50,000,000). Any portion of the authorization not used in any fiscal year may be used in any future fiscal year.

(b) This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

SEC. 2. Section 25008.5 of the Public Resources Code is amended to read:

25008.5. (a) The Legislature hereby finds and declares that in order to maximize public benefit from private sector participation in state operations and to maximize the Legislature's ability to devote limited resources of the state to the responsibilities of state government that are less attractive to private sector investment, it is the policy of the state to encourage third-party financing of energy projects, including, but not limited to, cogeneration facilities, at state-owned sites.

(b) The Legislature further finds and declares that the development of energy projects at state-owned sites can be accelerated where reasonable incentives are provided to the siting institutions. These incentives are necessary to offset the long-term administrative, operational, and technical complexities of energy projects developed under this section. Reasonable incentives for implementing the policy of this section shall include the sharing of benefits derived from energy projects between the state and the siting institution. The benefits to the state and siting institutions derived from projects implemented under this section may include, but are not limited to, annual cash revenues, avoided capital costs, reduced energy costs, site improvements, and additional operations and maintenance resources. The annual cash revenues derived from those projects shall be shared equally between the state and the siting institution, if both of the following conditions are met:

(1) The use of cash and avoided cost benefits by siting institutions is to be limited to improvement of ongoing maintenance, deferred maintenance, cost-effective energy improvements, and other infrastructure improvements. To the extent an institution receives annual cash revenues under this section, the institution shall retain any money it receives, but not to exceed one-half of this amount, in a special deposit fund account, which shall be continuously appropriated to the institution for the purposes of this section. The state's benefit share, and the siting institution's benefit share that exceeds its needs, shall be deposited in the Energy and Resources Fund or, if this fund is not in existence, the General Fund for the purpose of investing in renewable resources programs and energy efficiency improvements at state facilities.

(2) The use of benefits shall be in addition to, and shall not supplant or replace, funding from traditional sources for a siting institution's normal operations and maintenance or capital outlay budgets.

(c) The Legislature further finds and declares that a

benefit-sharing incentive is applicable to energy projects reported to, or authorized by, the Legislature pursuant to Section 13304 or 14671.6 of the Government Code. This section shall not apply to energy projects which are constructed on or at facilities or property of the State Water Resources Development System.

(d) Commencing on January 1, 1986, the Department of General Services shall submit annual reports to the Legislature on the cost benefit aspects in carrying out this section.

(e) This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

CHAPTER 217

An act to amend Section 1 of Chapter 198 of the Statutes of 1988 and Section 6 of Chapter 1143 of the Statutes of 1982, relating to school buildings.

[Approved by Governor July 26, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of Chapter 198 of the Statutes of 1988 is amended to read:

Section 1. The Lodi Unified School District may extend existing lease agreements on residential houses constructed after January 1, 1978, to house elementary school pupils, until June 30, 1992, if the facilities meet all applicable provisions of state and local building standards for residential houses existing at the time of construction of the houses. Notwithstanding any other provision of law, residential houses that meet those requirements, and that were leased by the Lodi Unified School District as of January 1, 1988, are exempt from Article 3 (commencing with Section 39140) and Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

It is the intent of the Legislature that the Lodi Unified School District inform pupils and the parents or legal guardians of pupils of the risks that may be incurred by the continued occupation of buildings that are not in compliance with the earthquake safety standards prescribed by the Field Act, by posting a sign alerting those who use the building of its potentially unsafe condition.

This section shall remain in effect only until June 30, 1992, and as of that date is repealed unless a later enacted statute which is chaptered before June 30, 1992, deletes or extends that date.

SEC. 2. Section 6 of Chapter 1143 of the Statutes of 1982, as amended by Section 2 of Chapter 282 of the Statutes of 1984, is amended to read:

Sec. 6. Notwithstanding any other provision of law, the governing board of the Lake Tahoe Community College District may continue to use until June 30, 1995, an existing building leased by the district located at 970 Lodi Avenue, South Lake Tahoe, California. During the period of use authorized by this section, the building shall not be subject to Article 7 (commencing with Section 81130) or Article 8 (commencing with Section 81160) of Chapter 1 of Part 49 of the Education Code.

It is the intent of the Legislature that the Lake Tahoe Community College District inform students of the risks that may be incurred by the continued occupation of a building which is not in compliance with the earthquake safety standards prescribed by the Field Act, by posting a sign alerting those who use the building of its potentially unsafe condition.

SEC. 3. Due to the unique circumstances concerning the school facilities leased by the Lake Tahoe Community College District and school facilities in the Lodi Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 218

An act to add Section 21087.5 to the Public Resources Code, relating to environmental quality.

[Approved by Governor July 27, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21087.5 is added to the Public Resources Code, to read:

21087.5. The Office of Planning and Research shall review the provisions of this division and the guidelines prepared pursuant to Section 21083 to determine if they should be amended to respond to the potential impacts to the state from global warming. In conducting its review, the office shall not conduct any original research on global warming, but shall use available studies and reports on the subject. A report of the office's recommendations shall be submitted to the Legislature by January 1, 1991.

CHAPTER 219

An act to amend Section 22358 of the Business and Professions Code, relating to process servers.

[Approved by Governor July 27, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22358 of the Business and Professions Code is amended to read:

22358. (a) A certificate of registration may be revoked or suspended whenever it has been determined that the registrant has made a service of process which does not comply with the provisions of law governing the service of process in this state or constitutes an improper service of process not amounting to a violation of law.

(b) An investigation concerning the revocation or suspension of a certificate of registration may be commenced at any time at the option of the county clerk if the county clerk deems it to be appropriate. A complaint by any person who has alleged that he or she has been injured by a service of process shall be investigated by the public prosecutor. The investigation shall determine if the registrant complied with the provisions of law governing the service of process or constituted improper service of process not amounting to a violation of the law.

(c) If the public prosecutor determines from the investigation that cause may exist for the suspension or revocation of the certificate of registration, he or she shall set the matter for hearing and give notice to the registrant. That hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code, and, for the purposes of those provisions, the public prosecutor shall be deemed to be the agency.

(d) If, after the hearing, the county clerk is notified after the decision has become effective that the administrative law judge has directed that the registrant's certificate be suspended or revoked, the county clerk shall forthwith suspend or revoke the certificate. If the certificate is revoked, the bond or cash deposit required by Section 22353 shall be forfeited to the county treasury subject to the right of a person to recover against the bond or cash deposit under Section 22357.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000),

reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 220

An act to amend Section 1799.2 of the Health and Safety Code, relating to emergency medical services.

[Approved by Governor July 27, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1799.2 of the Health and Safety Code is amended to read:

1799.2. The commission shall consist of 16 members appointed as follows:

(a) One full-time physician and surgeon, whose primary practice is emergency medicine, appointed by the Senate Rules Committee from a list of three names submitted by the California Chapter of the American College of Emergency Physicians.

(b) One physician and surgeon, who is a trauma surgeon, appointed by the Speaker of the Assembly from a list of three names submitted by the California Chapter of the American College of Surgeons.

(c) One physician and surgeon appointed by the Senate Rules Committee from a list of three names submitted by the California Medical Association.

(d) One county health officer appointed by the Governor from a list of three names submitted by the California Conference of Local Health Officers.

(e) One registered nurse, who is currently, or has been previously, authorized as a mobile intensive care nurse and who is knowledgeable in state emergency medical services programs and issues, appointed by the Governor from a list of three names submitted by the Emergency Nurses Association.

(f) One full-time paramedic or EMT-II, who is not employed as a full-time peace officer, appointed by the Senate Rules Committee from a list of three names submitted by the California Rescue and Paramedic Association.

(g) One prehospital emergency medical service provider from the private sector, appointed by the Speaker of the Assembly from a list of three names submitted by the California Ambulance Association.

(h) One management member of an entity providing fire

protection and prevention services appointed by the Governor from a list of three names submitted by the California Fire Chiefs Association.

(i) One physician and surgeon who is board prepared or board certified in the specialty of emergency medicine by the American Board of Emergency Medicine and who is knowledgeable in state emergency medical services programs and issues appointed by the Speaker of the Assembly.

(j) One hospital administrator of a base hospital who is appointed by the Governor from a list of three names submitted by the California Association of Hospitals and Health Systems.

(k) One full-time peace officer, who is either an EMT-II or a paramedic, who is appointed by the Governor from a list of three names submitted by the California Peace Officers Association.

(*l*) Two public members who have experience in local EMS policy issues, at least one of whom resides in a rural area as defined by the authority, and who are appointed by the Governor.

(m) One administrator from a local EMS agency appointed by the Governor from a list of four names submitted by the Emergency Medical Services Administrator's Association of California.

(n) One medical director of a local EMS agency who is an active member of the Emergency Medical Directors Association of California and who is appointed by the Governor.

(o) One person appointed by the Governor, who is an active member of the California State Firemen's Association or the California Professional Firefighters.

CHAPTER 221

An act to amend Section 50078.20 of, and to repeal Section 50078.18 of, the Government Code, relating to fire suppression assessments.

[Approved by Governor July 27, 1989 Filed with Secretary of State July 27 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 50078.18 of the Government Code is repealed.

SEC. 2. Section 50078.20 of the Government Code is amended to read:

50078.20. Any fire protection district may specifically allocate a portion of the revenue generated pursuant to this article to pay the interest and that portion of the principal as will become due on an annual basis on indebtedness incurred pursuant to Section 8589.13 of this code and Section 13906 of the Health and Safety Code.

CHAPTER 222

An act relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. The sum of fifteen million dollars ($15,000,000) is hereby appropriated from the State Highway Account in the State Transportation Fund to the Department of Transportation for expenditure by the department in the discharge of all obligations of the department under the Big Rock Mesa Landslide Litigation Settlement Agreement and under the Big Rock Mesa Landslide Litigation Sliding Scale Recovery Settlement Agreement.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to expedite a conclusion to the Big Rock Mesa settlement and the underlying litigation, it is necessary that this act take effect immediately.

CHAPTER 223

An act to amend Section 308 of, and to repeal Section 308a of, the Penal Code, relating to prisoners.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 27, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 308 of the Penal Code is amended to read:

308. (a) Every person, firm or corporation which knowingly sells, gives, or in any way furnishes to another person who is under the age of 18 years any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking or ingestion of tobacco, products prepared from tobacco, or any controlled substance, is subject to either a criminal action for a misdeameanor or to a civil action brought by a city attorney, a county counsel, or a district attorney, punishable by a fine of two hundred dollars ($200) for the first offense, five hundred dollars ($500) for the second offense, and one thousand dollars ($1,000) for the third offense.

Notwithstanding Section 1464 or any other provision of law, 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the office of the city attorney, county counsel, or district attorney, whoever is responsible for bringing the successful action, and 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the city or county for the administration and cost of the community service work component provided in subdivision (b).

Proof that a defendant, or his or her employee or agent, demanded, was shown, and reasonably relied upon evidence of majority shall be defense to any action brought pursuant to this subdivision. Evidence of majority of a person is a facsimile of or a reasonable likeness of a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Federal Selective Service Act, or an identification card issued to a member of the armed forces.

For purposes of this section, the person liable for selling or furnishing tobacco products to minors by a tobacco vending machine shall be the person authorizing the installation or placement of the tobacco vending machine upon premises he or she manages or otherwise controls and under circumstances in which he or she has knowledge, or should otherwise have grounds for knowledge, that the tobacco vending machine will be utilized by minors.

(b) Every person under the age of 18 years who purchases or receives any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking of tobacco, products prepared from tobacco, or any controlled substance shall, upon conviction, be punished by a fine of fifty dollars ($50) or 25 hours of community service work.

(c) Every person, firm or corporation which sells, or deals in tobacco or any preparation thereof, shall post conspicuously and keep so posted in his, her, or their place of business a copy of this act, and any such person failing to do so shall upon conviction be punished by a fine of ten dollars ($10) for the first offense and fifty dollars ($50) for each succeeding violation of this provision, or by imprisonment for not more than 30 days.

The Secretary of State is hereby authorized to have printed sufficient copies of this act to enable him or her to furnish dealers in tobacco with copies thereof upon their request for the same.

(d) For purposes of determining the liability of persons, firms, or corporations controlling franchises or business operations in multiple locations for the second and subsequent violations of this section, each individual franchise or business location shall be deemed a separate entity.

(e) It is the Legislature's intent to regulate the subject matter of this section. As a result, no city, county, or city and county shall adopt any ordinance or regulation inconsistent with this section.

(f) Notwithstanding any other provision of this section, the Director of Corrections may sell or supply tobacco and tobacco products, including cigarettes and cigarette papers, to any person confined in any institution or facility under his, her, or its jurisdiction who has attained the age of 16 years, if the parent or guardian of the person consents thereto, and may permit smoking by any such person in any such institution or facility. No officer or employee of the Department of Corrections shall be considered to have violated this section by any act authorized by this subdivision.

SEC. 2. Section 308a of the Penal Code is repealed.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 224

An act to amend Section 14499.5 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14499.5 of the Welfare and Institutions Code is amended to read:

14499.5. (a) In carrying out the intent of this article, the director shall contract for the operation of one local pilot program. Special consideration shall be given to approving a program contracted through county government in Santa Barbara County.

(b) The establishment of a pilot program pursuant to this section shall be contingent upon the availability of state and federal funding. The program shall include the following components:

(1) Local authority for administration, fiscal management, and delivery of services, but not including eligibility determination.

(2) Physician case management.

(3) Cost containment through provider incentives and other means.

(c) The program for the pilot project shall include a plan and budget for delivery of services, administration, and evaluation. During the first year of the pilot program, the amount of the state

contract shall equal 95 percent of total projected Medi-Cal expenditures for delivery of services and for administration based on fee-for-service conditions in the program county. During the remaining years of the pilot project, Medi-Cal expenditures in the program county shall be no more than 100 percent of total projected expenditures for delivery of services and for administration based on any combination of the following paragraphs:

(1) Relevant prior fee-for-service Medi-Cal experience in the program county.

(2) The fee-for-service Medi-Cal experience in comparable counties or groups of counties.

(3) Medi-Cal experience of the pilot project in the program county if, as determined by the state department, the scope, level, and duration of, and expenditures for, any services used in setting the rates under this paragraph would be comparable to fee-for-service conditions were they to exist in the program county and would be more actuarially reliable for use in ratesetting than data available for use in applying paragraph (1) or (2).

The projected total expenditure shall be determined annually according to an acceptable actuarial process. The data elements used by the department shall be shared with the proposed contractor.

(d) The director shall accept or reject the proposal within 30 days after the date of receipt. If a decision is made to reject the proposal, the director shall set forth the reasons for this decision in writing. Upon approval of the proposal, a contract shall be written within 60 days. After signature by the local contractor, the State Department of Health Services, the Department of General Services, and the Department of Finance shall execute the contract within 60 days.

(e) The director shall seek the necessary state and federal waivers to enable operation of the program. If the federal waivers for delivery of services under this plan are not granted, the department is under no obligation to contract for implementation of the program.

(f) For purposes of Section 1343 of the Health and Safety Code, the Santa Barbara County Special Health Care Authority shall be considered to be a county-operated pilot program contracting with the State Department of Health Services pursuant to this article, and notwithstanding any other provision of law, during the period that this contract is in effect, the contractor shall be exempt from the provisions of the Knox-Keene Health Care Service Plan Act of 1975, Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, relative to the services provided to Medi-Cal beneficiaries under the terms and provisions of the pilot program.

(g) Nothing in this section shall be construed to include dental services within the services provided in this pilot program.

(h) Any federal demonstration funding for this pilot program shall be made available to the county within 60 days upon notification of the award without the state retaining any portion not previously

specified in the grant application as submitted.

(i) An independent evaluation of the program shall be conducted and a report submitted to the Legislature and the director by January 1, 1988. The independent evaluation of the program commissioned by the federal Health Care Financing Administration may fulfill the purposes of this part. This evaluation and report shall include, but is not limited to, the following:

(1) An assessment of the cost of medical services as compared to the cost of the existing Medi-Cal fee-for-service delivery mode.

(2) An assessment of utilization levels of specialist and emergency services.

(3) An assessment of the quality of care.

(4) Recommendations for future policy on delivery of services.

(j) This section shall remain operative only until June 30, 1993, and shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute which is chaptered before January 1, 1994, deletes or extends that date.

CHAPTER 225

An act to amend Section 9650 of, and to add Section 9650.4 to, the Business and Professions Code, relating to cemeteries, and making an appropriation therefor.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 27, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 9650 of the Business and Professions Code is amended to read:

9650. Each cemetery authority shall file with the board annually, on or before June 1, or within five months after close of their fiscal year provided approval has been granted by the board as provided for in Section 9650.1, a written report in form prescribed by the board setting forth:

(a) The number of square feet of grave space and the number of crypts and niches sold or disposed of under endowment care by specific periods as set forth in the form prescribed.

(b) The amount collected and deposited in both the general and special endowment care funds segregated as to the amounts for crypts, niches and grave space by specific periods as set forth either on the accrual or cash basis at the option of the cemetery authority.

(c) A statement showing separately the total amount of the general and special endowment care funds invested in each of the investments authorized by law and the amount of cash on hand not invested, which statement shall actually show the financial condition of the funds.

(d) A statement showing separately the location, description, and character of the investments in which the special endowment care funds are invested. The statement shall show the valuations of any securities held in the endowment care fund as valued pursuant to Section 9659.

(e) A statement showing the transactions entered into between the corporation or any officer, employee or stockholder thereof and the trustees of the endowment care funds with respect to those endowment care funds. The statement shall show the dates, amounts of the transactions, and shall contain a statement of the reasons for those transactions.

The report shall be verified by the president or vice president and one other officer of the cemetery corporation and shall be certified by the accountant or auditor preparing the report.

If a cemetery authority files a written request prior to the date the report is due, the board may, in its discretion, grant an additional 30 days within which to file the report.

SEC. 2. Section 9650.4 is added to the Business and Professions Code, to read:

9650.4. (a) Any cemetery authority that does not file its report within the time prescribed by Section 9650 may be assessed a fine by the board in an amount not to exceed two hundred dollars ($200) per month for a maximum of five months. The amount of the fine shall be established by regulation in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Failure to pay the fine within 15 days after receipt of written notification of the assessment or, where a timely request for waiver or reduction of the fine has been filed, within 15 days after receipt of written notification of the board's decision in the matter, shall be cause for disciplinary action.

(b) A cemetery authority may request waiver or reduction of a fine by making a written request therefor. The request shall be postmarked within the time specified above for payment of the fine and shall be accompanied by a statement showing good cause for the request.

(c) The board may waive or reduce the fine where a timely request is made and where it determines, in its discretion, that the cemetery authority has made a sufficient showing of good cause for the waiver or reduction.

CHAPTER 226

An act to add Section 99233.10 to the Public Utilities Code, relating to transportation.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 99233.10 is added to the Public Utilities Code, to read:

99233.10. Notwithstanding Section 99233.7, funds made available in the County of Santa Barbara for claims filed pursuant to Article 4.5 (commencing with Section 99275) may be included in determining the apportionment to a city, county, or operator for purposes of Sections 99233.8 and 99233.9.

CHAPTER 227

An act to amend Section 23919 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 23919 of the Education Code is amended to read:

23919. Any retirant may be employed by a school district or other employing agency, except as provided in Sections 45134 and 88033, and earn not more than seven thousand five hundred dollars ($7,500), in any one school year and the rate of pay for such employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties. The employment shall not operate to reinstate the retirant as a member of this system, or to terminate or suspend his or her retirement allowance, and no deduction shall be made from his or her salary as contributions to this system.

The maximum amount earnable under this section shall be adjusted by the board on July 1, 1986, and on each July 1, thereafter, by the annual amount of increase in All Urban California Consumer Price Index using December 1984 as the base.

CHAPTER 228

An act to amend Sections 2962, 2966, 2970, 2972, and 2980 of the Penal Code, relating to prisoners, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 27, 1989 Filed with Secretary of State July 27, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2962 of the Penal Code is amended to read:

2962. As a condition of parole, a prisoner who meets the following criteria shall be required to be treated by the State Department of Mental Health, and the State Department of Mental Health shall provide the necessary treatment:

(a) The prisoner has a severe mental disorder that is not in remission or cannot be kept in remission without treatment.

The term "severe mental disorder" means an illness or disease or condition that substantially impairs the person's thought, perception of reality, emotional process, or judgment; or which grossly impairs behavior; or that demonstrates evidence of an acute brain syndrome for which prompt remission, in the absence of treatment, is unlikely. The term "severe mental disorder" as used in this section does not include a personality or adjustment disorder, epilepsy, mental retardation or other developmental disabilities, or addiction to or abuse of intoxicating substances.

The term "remission" means a finding that the overt signs and symptoms of the severe mental disorder are controlled either by psychotropic medication or psychosocial support. A person "cannot be kept in remission without treatment" if during the year prior to the question being before the Board of Prison Terms or a trial court, he or she has been in remission and he or she has been physically violent, except in self-defense, or he or she has made a serious threat of substantial physical harm upon the person of another so as to cause the target of the threat to reasonably fear for his or her safety or the safety of his or her immediate family, or he or she has intentionally caused property damage, or he or she has not voluntarily followed the treatment plan. In determining if a person has voluntarily followed the treatment plan, the standard shall be whether the person has acted as a reasonable person would in following the treatment plan.

(b) The severe mental disorder was one of the causes of or was an aggravating factor in the commission of a crime for which the prisoner was sentenced to prison.

(c) The prisoner has been in treatment for the severe mental disorder for 90 days or more within the year prior to the prisoner's parole or release.

(d) (1) Prior to release on parole, the person in charge of treating

the prisoner and a practicing psychiatrist or psychologist from the State Department of Mental Health have evaluated the prisoner at a facility of the Department of Corrections, and a chief psychiatrist of the Department of Corrections has certified to the Board of Prison Terms that the prisoner has a severe mental disorder, that the disorder is not in remission, or cannot be kept in remission without treatment, that the severe mental disorder was one of the causes or was an aggravating factor in the prisoner's criminal behavior, that the prisoner has been in treatment for the severe mental disorder for 90 days or more within the year prior to his or her parole release day, that the prisoner used force or violence or caused serious bodily injury in committing the crime referred to in subdivision (b), and that by reason of his or her severe mental disorder the prisoner represents a substantial danger of physical harm to others. For prisoners being treated by the State Department of Mental Health pursuant to Section 2684, the certification shall be by a chief psychiatrist of the Department of Corrections, and the evaluation shall be done at a state hospital by the person at the state hospital in charge of treating the prisoner and a practicing psychiatrist or psychologist from the Department of Corrections.

(2) If the professionals doing the evaluation pursuant to paragraph (1) do not concur that (1) the prisoner has a severe mental disorder, or (2) that the disorder is not in remission or cannot be kept in remission without treatment, or (3) that the severe mental disorder was a cause of, or aggravated the prisoner's criminal behavior, and a chief psychiatrist has certified the prisoner to the Board of Prison Terms pursuant to this paragraph, then the Board of Prison Terms shall order a further examination by two independent professionals, as provided for in Section 2978.

(3) Only if both independent professionals who evaluate the prisoner pursuant to paragraph (2) concur with the chief psychiatrist's certification of the issues described in paragraph (2), shall the provisions of this subdivision be applicable to the prisoner. The professionals appointed pursuant to Section 2978 shall inform the prisoner that the purpose of their examination is not treatment but to determine if the prisoner meets certain criteria to be involuntarily treated as a mentally disordered offender. It is not required that the prisoner appreciate or understand that information.

(e) The crime referred to in subdivision (b) was a crime in which the prisoner used force or violence, or caused serious bodily injury as defined in paragraph (5) of subdivision (e) of Section 243.

(f) As used in this chapter, "substantial danger of physical harm" does not require proof of a recent overt act.

SEC. 2. Section 2966 of the Penal Code is amended to read:

2966. (a) A prisoner may request a hearing before the Board of Prison Terms, and the board shall conduct a hearing if so requested, for the purpose of proving that the prisoner meets the criteria in Section 2962. At the hearing, the burden of proof shall be on the person or agency who certified the prisoner under subdivision (d)

of Section 2962. If the prisoner or any person appearing on his or her behalf at the hearing requests it, the board shall appoint two independent professionals as provided for in Section 2978. The prisoner shall be informed at the hearing of his or her right to request a trial pursuant to subdivision (b). The Board of Prison Terms shall provide a prisoner who requests a trial, a petition form and instructions for filing the petition.

(b) A prisoner who disagrees with the determination of the Board of Prison Terms that he or she meets the criteria of Section 2962, may file in the superior court of the county in which he or she is incarcerated or is being treated a petition for a hearing on whether he or she, as of the date of the Board of Prison Terms hearing, met the criteria of Section 2962. The court shall conduct a hearing on the petition within 60 calendar days after the petition is filed, unless either time is waived by the petitioner or his or her counsel, or good cause is shown. The order of the Board of Prison Terms shall be in effect until the completion of the court proceedings. The court shall advise the petitioner of his or her right to be represented by an attorney and of the right to a jury trial. The attorney for the petitioner shall be given a copy of the petition, and any supporting documents. The hearing shall be a civil hearing; however, in order to reduce costs, the rules of criminal discovery, as well as civil discovery, shall be applicable. The standard of proof shall be beyond a reasonable doubt, and if the trial is by jury, the jury shall be unanimous in its verdict. The trial shall be by jury unless waived by both the person and the district attorney.

(c) If the Board of Prison Terms continues a parolee's mental health treatment under Section 2962 when it continues the parolee's parole under Section 3001, the procedures of this section shall only be applicable for the purpose of determining if the parolee has a severe mental disorder, whether the parolee's severe mental disorder is not in remission or cannot be kept in remission without treatment, and whether by reason of his or her severe mental disorder, the parolee represents a substantial danger of physical harm to others.

SEC. 3. Section 2970 of the Penal Code is amended to read:

2970. Not later than 180 days prior to the termination of parole, or release from prison if the prisoner refused to agree to treatment as a condition of parole as required by Section 2962, unless good cause is shown for the reduction of that 180-day period, if the prisoner's severe mental disorder is not in remission or cannot be kept in remission without treatment, the medical director of the state hospital which is treating the parolee, or the county mental health director in charge of the parolee's outpatient program, or the Director of Corrections, shall submit to the district attorney of the county in which the parolee is receiving outpatient treatment, or for those in prison or in a state mental hospital, the district attorney of the county of commitment, his or her written evaluation on remission. If requested by the district attorney, the written

evaluation shall be accompanied by supporting affidavits.

The district attorney may then file a petition with the superior court for continued involuntary treatment for one year. The petition shall be accompanied by affidavits specifying that treatment, while the prisoner was released from prison on parole, has been continuously provided by the State Department of Mental Health either in a state hospital or in an outpatient program. The petition shall also specify that the prisoner has a severe mental disorder, that the severe mental disorder is not in remission or cannot be kept in remission if the person's treatment is not continued, and that, by reason of his or her severe mental disorder, the prisoner represents a substantial danger of physical harm to others.

SEC. 4. Section 2972 of the Penal Code is amended to read:

2972. (a) The court shall conduct a hearing on the petition under Section 2970 for continued treatment. The court shall advise the person of his or her right to be represented by an attorney and of the right to a jury trial. The attorney for the person shall be given a copy of the petition, and any supporting documents. The hearing shall be a civil hearing, however, in order to reduce costs the rules of criminal discovery, as well as civil discovery, shall be applicable.

The standard of proof under this section shall be proof beyond a reasonable doubt, and if the trial is by jury, the jury shall be unanimous in its verdict. The trial shall be by jury unless waived by both the person and the district attorney. The trial shall commence no later than 30 calendar days prior to the time the person would otherwise have been released, unless the time is waived by the person or unless good cause is shown.

(b) The people shall be represented by the district attorney. If the person is indigent, the county public defender shall be appointed.

(c) If the court or jury finds that the patient has a severe mental disorder, that the patient's severe mental disorder is not in remission or cannot be kept in remission without treatment, and that by reason of his or her severe mental disorder, the patient represents a substantial danger of physical harm to others, the court shall order the patient recommitted to the facility in which the patient was confined at the time the petition was filed, or recommitted to the outpatient program in which he or she was being treated at the time the petition was filed, or committed to the State Department of Mental Health if the person was in prison. The commitment shall be for a period of one year from the date of termination of parole or a previous commitment or the scheduled date of release from prison as specified in Section 2970.

(d) A person shall be released on outpatient status if the committing court finds that there is reasonable cause to believe that the committed person can be safely and effectively treated on an outpatient basis. Except as provided in this subdivision, the provisions of Title 15 (commencing with Section 1600) of Part 2, shall apply to persons placed on outpatient status pursuant to this paragraph. The standard for revocation under Section 1609 shall be

that the person cannot be safely and effectively treated on an outpatient basis.

(e) Prior to the termination of a commitment under this section, a petition for recommitment may be filed to determine whether the patient's severe mental disorder is not in remission or cannot be kept in remission without treatment, and whether by reason of his or her severe mental disorder, the patient represents a substantial danger of physical harm to others. The recommitment proceeding shall be conducted in accordance with the provisions of this section.

(f) Any commitment under this article places an affirmative obligation on the treatment facility to provide treatment for the underlying causes of the person's mental disorder.

(g) Except as provided in this subdivision, the person committed shall be considered to be an involuntary mental health patient and he or she shall be entitled to those rights set forth in Article 7 (commencing with Section 5325) of Chapter 2 of Part 1 of Division 5 of the Welfare and Institutions Code. Commencing January 1, 1986, the State Department of Mental Health may adopt regulations to modify those rights as is necessary in order to provide for the reasonable security of the inpatient facility in which the patient is being held. This subdivision and the regulations adopted pursuant thereto shall become operative on January 1, 1987, except that regulations may be adopted prior to that date.

SEC. 5. Section 2980 of the Penal Code is amended to read:

2980. This article applies to persons who committed their crimes on and after January 1, 1986.

SEC. 6. It is not the intent of the Legislature to directly or indirectly imply by this act that courts may not use the standard of evidence accepted by the court in People v. Beard, 173, Cal. App. 3d 1113, in cases arising under Article 4 (commencing with Section 2960) of Chapter 7 of Title 1 of Part 3 of the Penal Code.

SEC. 7. (a) The Department of Corrections and the State Department of Mental Health, in conjunction with the Board of Prison Terms, shall submit a report to the Legislature on or before September 30, 1990, on the following:

(1) A description of the disposition of cases of patients released from treatment under the mentally disordered offender program following the invalidation of that program by the Court of Appeal in People v. Gibson (204 Cal. App. 3d 1425), including discussion regarding any subsequent acts recorded by the Department of Justice, the State Department of Mental Health, and the Department of Corrections, to the extent resources are available.

(2) A description of the criteria used to select which prisoners are personally evaluated for possible treatment under the mentally disordered offender program, and the criteria used to determine which of those prisoners are to be treated under the program.

(b) The Department of Corrections and the State Department of Mental Health, in conjunction with the Board of Prison Terms, shall submit an annual report to the Legislature on the status of the

mentally disordered offender program on or before December 31, 1991, and on or before December 31 each year thereafter through 1996, which shall include all of the following:

(1) The following information on persons committed to the mentally disordered offender program on or after July 1, 1989, who have exhausted their rights under Section 2966 of the Penal Code.

(A) The duration of treatment for those patients selected for the mentally disordered program, including both inpatient and outpatient treatment.

(B) The number of mentally disordered offender patients returned to custody or to a hospital due to the commission of a new crime, to the extent this information is available from the Department of Justice, or due to parole revocation.

(C) The number of parole revocations of persons who have been treated previously under the mentally disordered offender program and the reasons for the revocations.

(D) The number of parole revocations for all parolees whose parole was revoked based upon psychiatric reasons pursuant to Section 2646 of Title 15 of the California Code of Regulations.

(E) Information regarding recidivism rates for criminal conduct by persons previously treated under the mentally disordered offender program to the extent this information is available from the Department of Justice.

(F) Any other information that would be useful to the Legislature in evaluating the performance of the mentally disordered offender program.

(2) A summary description of the number and disposition of cases of all prisoners who are personally clinically evaluated on and after July 1, 1989, by the Department of Corrections and the State Department of Mental Health for possible treatment under the mentally disordered offender program, including disposition of any hearing or court proceedings. The report also shall contain a brief explanation, as the departments deem appropriate, to explain the data.

(c) The Department of Corrections and the State Department of Mental Health, in conjunction with the Board of Prison Terms, shall provide a preliminary report to the Legislature on or before December 31, 1990, describing the report protocol they intend to use for the report required under subdivision (b) and any problems which they anticipate.

(d) The reports required under this section shall be submitted to the Assembly Committee on Public Safety and to the Senate Judiciary Committee.

(e) Notwithstanding any other provision of law, the Department of Justice, the Department of Corrections, the State Department of Mental Health, and the Board of Prison Terms shall make available any information required for purposes of this section. Any confidential information obtained pursuant to this subdivision may be used for purposes of preparing the reports required by this

section, but the information shall not be used in any way that discloses confidential information, nor shall that confidential information be used for any other purpose.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Court of Appeal in People v. Gibson (204 Cal. App. 3d 1425) declared part of Article 4 (commencing with Section 2960) of Chapter 7 of Title 1 of Part 3 of the Penal Code in violation of the equal protection clause of the United States Constitution because it does not require proof the person represents a substantial danger of physical harm to others by reason of his or her severe mental disorder. In order to keep the mentally disordered offender program in effect for those persons who committed their crimes on or after January 1, 1986, it is necessary that this act take effect immediately.

CHAPTER 229

An act to amend Sections 5651, 5661, and 5681 of the Business and Professions Code, relating to landscape architecture, and making an appropriation therefor.

[Approved by Governor July 27, 1989. Filed with Secretary of State July 28, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 5651 of the Business and Professions Code is amended to read:

5651. (a) The board shall by means of examination, ascertain the professional qualifications of all applicants for licenses to practice landscape architecture in this state and shall issue a license to every person whom it finds to be qualified on payment of the initial license fee prescribed by this chapter.

(b) The examination shall consist of a written examination. The written examination may be waived by the board if the applicant (1) is licensed in a state and demonstrates to the board that he or she has passed the Uniform National Examination for Landscape Architects or is certified by the Council of Landscape Architects Registration Boards and has submitted proof of job experience equivalent to that which is required of California candidates and (2) has taken a written examination equivalent in scope and subject matter to the written examination last given in California as determined by the board, and has achieved a score on the out-of-state examination at least equal to the score required to pass the California written examination. The written examination shall include testing of the applicants knowledge of California plants and environmental conditions,

irrigation design, and California laws relating to the practice of landscape architecture.

(c) No license shall be issued to anyone who has not demonstrated his or her competency by examination.

SEC. 2. Section 5661 of the Business and Professions Code is amended to read:

5661. All accusations against a licensee shall be filed within three years after the board discovers, or through the use of reasonable diligence should have discovered, the act or omission alleged as the ground for disciplinary action or within six years after the act or omission alleged as the ground for disciplinary action, whichever occurs first. However, with respect to an accusation alleging a violation of Section 5667, the accusation may be filed within three years after the discovery by the board of the alleged facts constituting the fraud or misrepresentation prohibited by Section 5667.

If any accusation is not filed within the time provided in this section, no action against a licensee shall be commenced under this article.

SEC. 3. Section 5681 of the Business and Professions Code is amended to read:

5681. The amount of fees prescribed by this chapter is that fixed by the following schedule:

(a) The application fee for examination shall be fixed by the board in an amount not to exceed three hundred twenty-five dollars ($325).

(b) The fee for an original certificate shall be fixed by the board in an amount not to exceed three hundred dollars ($300), except that, if the certificate is issued less than one year before the date on which it will expire, then the fee shall equal 50 percent of the fee fixed by the board for an original certificate. The board may, by appropriate regulation, provide for the waiver or refund of the initial certificate fee where the certificate is issued less than 45 days before the date on which it will expire.

(c) The fee for a temporary certificate shall be fixed by the board in an amount not to exceed fifty dollars ($50).

(d) The fee for a duplicate certificate shall be fixed by the board in an amount not to exceed twenty-five dollars ($25).

(e) The renewal fee shall be fixed by the board in an amount as it determines is reasonably necessary to provide sufficient funds to carry out the purpose of this chapter, but not to exceed three hundred dollars ($300).

(f) The penalty for failure to notify the board of a change of address within 30 days from an actual change in address shall be fixed by the board in an amount not to exceed twenty-five dollars ($25).

(g) The delinquency fee shall be 50 percent of the renewal fee for the certificate in effect on the date of the renewal of the certificate, but not less than twenty-five dollars ($25) nor more than one hundred fifty dollars ($150).

(h) The fee for a branch office shall be fixed by the board in an

amount not to exceed twenty-five dollars ($25).

(i) The fee for filing an application for approval of a school pursuant to Section 5650 shall be set by the board at an amount not to exceed the cost of the approval process, but not to exceed six hundred dollars ($600) charged and collected on an biennial basis.

CHAPTER 230

An act to amend Section 6385 of the Revenue and Taxation Code, relating to sales and use taxes.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 6385 of the Revenue and Taxation Code is amended to read:

6385. (a) There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of tangible personal property, other than fuel and petroleum products, to a common carrier, shipped by the seller via the purchasing carrier's facilities under a bill of lading whether the freight is paid in advance, or the shipment is made freight charges collect, to a point outside this state and the property is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a common carrier.

(b) There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of tangible personal property, other than aircraft fuel and petroleum products, purchased by a foreign air carrier and transported by the foreign air carrier's facilities to a foreign destination for use by the air carrier in the conduct of its business as a common carrier by air of persons or property. To qualify for this exemption, the foreign air carrier shall furnish to the seller a certificate in writing that the property shall be transported and used in the manner required in this subdivision. The certificate shall be substantially in the form prescribed by the board. A seller is not liable for the sales tax if the seller accepts the certificate in good faith. If the seller does not have the certificate at the time the board requests the seller to submit the certificate to the board, the seller shall be given a reasonable time to request the foreign air carrier to provide the seller with the certificate. The foreign air carrier shall maintain records in this state, such as a copy of a bill of lading, and air waybill or cargo manifest, documenting its transportation of the tangible personal property to a foreign destination.

(c) There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of fuel and petroleum

products to a water, air, or rail common carrier, for immediate shipment outside this state for consumption in the conduct of its business as a common carrier after the first out-of-state destination. To qualify for the exemption the common carrier shall furnish to the seller an exemption certificate in writing stating the quantity of fuel and petroleum products claimed as exempt which is to be consumed after reaching the first out-of-state destination. That certificate shall bear the purchaser's valid seller's permit number or valid fuel exemption registration number and shall be substantially in the form prescribed by the board. Acceptance in good faith of that certificate shall relieve the seller from liability for the sales tax.

(d) "First out-of-state destination," as used in this section, means the first point reached outside this state by a common carrier in the conduct of its business as a common carrier at which cargo or passengers are loaded or discharged, cargo containers are added or removed, fuel is bunkered, or landing or docking fees are charged.

"First out-of-state destination," as used in this section, also includes the entry point of the Panama Canal when the carrier is only transiting the canal in the conduct of its business as a common carrier.

(e) "Common carrier," as used in this section, with respect to water transportation, shall be deemed to include any vessel engaged, for compensation, in transporting persons or property in interstate or foreign commerce.

(f) "Foreign air carrier," as used in this section, means a foreign air carrier as defined in Section 1301 of Title 49 of the United States Code.

(g) "Immediate shipment," as used in this section, means that the delivery of the fuel and petroleum products by the seller is directly into a ship, aircraft, or rail car for transportation outside this state and not for storage by the purchaser or any third party.

(h) Any common carrier claiming exemption under subdivision (c) who is not required to hold a valid seller's permit shall be required to register with the board and obtain a fuel exemption registration number and shall be required to file returns as the board may prescribe if either the board notifies the carrier that returns must be filed or the carrier is liable for taxes based upon consumption of fuel erroneously claimed as exempt under this section. A common carrier required to hold a fuel exemption registration number shall be subject to all applicable provisions of this part, Part 1.5 (commencing with Section 7200), and Part 1.6 (commencing with Section 7251).

(i) A common carrier claiming an exemption under subdivision (c) upon request, shall make available to the board records, including, but not limited to, a copy of a log abstract, an air waybill, or a cargo manifest, documenting its transportation of the fuel or petroleum product to an out-of-state destination and the amount claimed as exempt. If the carrier fails to provide these records upon request, the board may revoke the carrier's fuel exemption

registration number.

(j) The board may require any carrier claiming an exemption under this section and required to obtain a fuel exemption registration number to place with it such security as the board may determine pursuant to Section 6701.

(k) Pursuant to subdivisions (a), (b), and (c), any use of the property by the purchasing carrier, other than that incident to the delivery of the property to the carrier and the transportation of the property by the carrier to the first out-of-state destination and subsequent use in the conduct of its business as a common carrier, or a failure of the carrier to document its transporting the property to the first out-of-state destination, shall subject the carrier to liability for payment of sales tax as if it were a retailer making a retail sale of the property at the time of that use or failure, and the sales price of the property to it shall be deemed to be the gross receipts from the retail sale.

CHAPTER 231

An act relating to the 1992 World Exposition, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The sum of one hundred thousand dollars ($100,000) is hereby appropriated from the General Fund to the Business, Transportation and Housing Agency, without regard to fiscal years, to enable California, under the general supervision of the agency, and with the advice and cooperation of the Joint Committee on the Quincentennial, to participate in the 1992 World Exposition in Seville, Spain. The funds shall be used to develop concepts, plans, and designs for a California Pavilion and for exhibitions which may be based at the exposition but be suitable for travel in Spain in 1992 as part of "A California Festival" or any other function or activity related to the World Exposition and quincentennial activities. These funds reflect the support of the State of California at the World Exposition at Seville in 1992.

(b) The Secretary of the Business, Transportation and Housing Agency may expend the appropriation made pursuant to subdivision (a) for the purposes specified therein. Any unencumbered portion of the appropriation shall revert to the General Fund no later than December 31, 1992.

(c) The Secretary of the Business, Transportation and Housing Agency is hereby encouraged to seek, and is authorized to spend,

private sector donations made by any corporation or private entity and may, in advance of services rendered, make payments from the appropriation made pursuant to subdivision (a) for the purposes specified therein, to "California 92", a California not-for-profit corporation founded for the purpose of raising funds for quincentennial activities in California and abroad, to offset and enhance the general funds used for the state's participation in the 1992 World Exposition in Seville, Spain and other quincentennial activities.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the State of California may begin planning for its participation in the Quincentennial Celebration of Columbus' Voyages and the 1992 World Exposition in Seville, Spain, it is necessary that this act take effect immediately.

CHAPTER 232

An act to amend Sections 11755, 11780, 11810.6, and 11834.13 of the Health and Safety Code, relating to alcohol and drug programs.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11755 of the Health and Safety Code is amended to read:

11755. The department shall do all of the following:

(a) Adopt regulations pursuant to Section 11152 of the Government Code.

(b) Employ administrative, technical, and other personnel as may be necessary for the performance of its powers and duties.

(c) Do or perform any of the acts which may be necessary, desirable, or proper to carry out the purpose of this part.

(d) Provide funds to counties for the planning and implementation of local programs to alleviate problems related to inappropriate alcohol and drug use.

(e) Review and approve or disapprove county alcohol program plans and county drug program plans submitted for state and federal funds allocated by the department.

(f) Provide for technical assistance and training to local alcohol and drug programs to assist in the planning and implementation of quality services. The department may charge a fee to cover the cost of providing technical assistance to alcohol and drug programs.

(g) Review research in, and serve as a resource to provide

information relating to, alcohol and drug programs.

(h) In cooperation with the Department of Personnel Administration, encourage training in other state agencies to assist the agencies to recognize employee problems relating to inappropriate alcohol use or drug use which affect job performance and encourage the employees to seek appropriate services.

(i) Develop and implement a statewide plan to alleviate problems related to inappropriate alcohol use and to overcome the barriers to their solution and to develop and implement a statewide plan to alleviate problems related to inappropriate drug use and to overcome the barriers to their solution. These plans shall be revised annually. The State Advisory Board on Alcohol-Related Problems shall review and make recommendations to the department on the development of the statewide alcohol plan. The State Advisory Board on Drug Programs shall review and make recommendations to the department on the development of the statewide drug plan. In order to avoid duplication of efforts in developing statewide alcohol and drug plans, the department shall consult with the Office of Statewide Health Planning and Development and the California Health Policy and Data Advisory Commission to adopt a uniform format and policy for the development of the statewide alcohol plan and statewide drug plan to facilitate its incorporation into the state health plan.

(j) Assist and cooperate with the Office of Statewide Health Planning and Development and the California Health Policy and Data Advisory Commission in the drafting and adoption of the state health plan to assure inclusion of appropriate provisions relating to alcohol problems and drug problems.

(k) In the same manner and subject to the same conditions as other state agencies, develop and submit annually to the Department of Finance a program budget for the state-funded alcohol program and the state-funded drug program which shall include expenditures proposed to be made under this division, and may include expenditures proposed to be made by any other state agency relating to alcohol or drug problems, pursuant to an interagency agreement with the department.

(*l*) Review and certify alcohol programs meeting state standards pursuant to Chapter 7 (commencing with Section 11830), and review and certify drug abuse treatment programs pursuant to Section 11994.

(m) Develop standards for assuring minimal statewide levels of service quality provided by alcohol and drug service programs.

(n) Review and license methadone treatment programs.

(o) Develop and implement, in partnership with the counties, alcohol and drug prevention strategies especially designed for youth.

SEC. 2. Section 11780 of the Health and Safety Code is amended to read:

11780. (a) There is a State Advisory Board on Alcohol-Related Problems to the department which shall consist of 15 members, of

which five members shall be appointed by the Governor, five members by the Senate Rules Committee, and five members by the Speaker of the Assembly.

(b) The members shall be appointed for terms that commence on January 1, 1976. Of the members first appointed by the Governor, the Senate Rules Committee, and the Speaker, two out of each five appointments, as selected by the appointing power, shall hold office for three years, two out of each five, as selected by the appointing power, shall hold office for two years, and one out of each five, as selected by the appointing power, shall hold office for one year. After these initial terms, each member shall be appointed for a term of three years. A member of the board may be replaced by the appointing power, upon recommendation of the board, for failure to attend board meetings.

(c) Members shall have a professional or personal interest in, and commitment to, alleviating alcohol problems. It is the intent of the Legislature that the appointing powers make appointments that include representatives from various economic, social, and occupational groups, and allow for geographic distribution throughout the state. No member of the board may be an employee or member of the board of directors of an organization which is a direct recipient of any state funds pursuant to a contract with a department, which shall include compensation for contracted services or membership on an advisory body or board of directors of such recipient organization. No spouse of any person described in the preceding sentence may be a member of the board.

(d) The board shall meet at least once every three months and may meet as often as required, as a full board or in committees, to implement the provisions of this section. All meetings of the board, and any committees thereof, shall be open to the public and adequate notice shall be provided in advance to interested persons.

(e) The members shall select the chair of the board annually and adopt bylaws as appropriate to carrying out its duties.

(f) Members of the board shall serve without compensation, but shall receive reimbursement for travel and other necessary expenses actually incurrred in the performance of their official duties.

(g) The board shall advise the director on the major policy issues relating to the implementation by the department of the provisions of this part and on any other related matters the director refers to it, shall encourage public understanding of the nature of alcohol problems, and encourage support throughout the state for development and implementation of effective alcohol programs. Upon request of the chair of the board, the director shall respond in writing to the board regarding each of its recommendations.

(h) The board shall participate in the regulations process pursuant to the provisions of Chapter 8 (commencing with Section 11835) of this part.

(i) The department shall provide for appropriate training to the board members relating to their charge so as to assure their

understanding of the state-funded alcohol program. It is the intent of the Legislature that each member of the board learn about the elements of the alcohol program and the nature of alcohol problems in his or her county of residence in order to assist him or her in understanding the major policies to be examined by the board.

(j) The board shall submit an annual report to the department and Legislature in January of each year which describes its accomplishments and includes its recommendations regarding the department's role in alleviating alcohol problems.

(k) The board shall review the statewide plan developed pursuant to subdivision (i) of Section 11755, and shall submit its comments and recommendations regarding the plan to the Director of Alcohol and Drug Programs.

SEC. 3. Section 11810.6 of the Health and Safety Code is amended to read:

11810.6. The county alcohol program administrator, in accordance with the planning process approved by the board of supervisors, shall develop the county alcohol program plan. The county alcohol program plan shall contain all of the following:

(a) A description of the proposed uses of alcohol funds which addresses all of the following:

(1) A statement of the goals and objectives of the county alcohol program.

(2) A description of the alcohol programs, activities and services supported by this plan, and characteristics of the individuals to be served.

(3) Criteria and methods for the distribution of funds, including a description of the alcohol service needs of women, adolescents, ethnic minorities, the elderly, the disabled, and any other specific populations, a plan for how these needs will be met, both if new funds are available and if no new funds are available, and the time span within which the needs will be met.

(4) Criteria to evaluate the effective performance of programs and services supported by this program plan.

(5) Beginning in fiscal year 1985–86, a description of how the county has met the goals, objectives, and needs in the use of funds for the previous year as identified in that year's program plan.

(6) That the federally required percentage of the federal portion of grant funds shall be for prevention and early intervention services.

(b) Certification of compliance with all of the following requirements:

(1) The county shall conduct a public hearing on the proposed use and distribution of funds and any changes shall be made public within the county on a timely basis and in a manner which facilitates comments from interested persons.

(2) The county shall administer the county alcohol program in accordance with this division, and all other applicable state and federal laws and regulations, including civil rights.

(3) The review of the planning process of the program plan by the

county alcohol advisory board and approval by the board of supervisors.

(4) Monitoring of all services programs receiving state or federal funds or funds available pursuant to Section 1463.16 of the Penal Code.

(5) Agreement to any additional assurances which may become necessary as a result of changes in laws or regulations.

(c) Budget information on the programs, activities, and services supported by this program plan and assurance that its submission satisfies the program plan requirements.

SEC. 4. Section 11834.13 of the Health and Safety Code is amended to read:

11834.13. The department shall promulgate regulations to implement this chapter in accordance with the purpose and process required in Sections 11835 and 11836. The regulations shall include, but not be limited to, both of the following:

(a) Provision for a formal appeal process for the denial of the license or for the suspension or revocation of a license.

(b) Provision for the issuance of a provisional license, provided the applicant is in substantial compliance with applicable laws and regulations.

CHAPTER 233

An act to amend Sections 56760, 56829, 56830, 56831, 57002, and 57088 of the Government Code, relating to local government.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 56760 of the Government Code is amended to read:

56760. Petitions for a merger of a district of limited powers which overlaps a city, or for the establishment of the district as a subsidiary district of the city, shall be signed as follows:

(a) For a resident-voter district, by either of the following:

(1) Ten percent of the registered voters of the district.

(2) Ten percent of the registered voters residing within the territory of the city outside the boundaries of the district.

(b) For a landowner-voter district, by either of the following:

(1) Ten percent of the number of landowner-voters within the district who also own not less than 10 percent of assessed value of land within the district.

(2) Ten percent of the registered voters residing within the territory of the city outside the boundaries of the district.

SEC. 2. Section 56829 of the Government Code is amended to

read:

56829. (a) Within 10 days after receiving a proposal to form a subsidiary district, the executive officer shall notify by certified mail the district or districts which are the subject of the proposal.

(b) Within 35 days after receiving the notice from the executive officer, the board of directors of the subject district or districts may do either of the following:

(1) Adopt a resolution consenting to the subsidiary district proposal, with or without requesting additional terms and conditions.

(2) Adopt a resolution of intention to file an alternative proposal to the subsidiary district proposal.

(c) Any resolution adopted under paragraph (1) or (2) of subdivision (b) shall immediately be filed with the executive officer.

SEC. 3. Section 56830 of the Government Code is amended to read:

56830. (a) If a district files a resolution of intention to file an alternative proposal pursuant to paragraph (2) of subdivision (b) of Section 56829, the executive officer shall take no further action on the original proposal to form a subsidiary district for a period of 70 days. During this period, the district which has filed a resolution of intention shall prepare and submit a completed application for the alternative proposal in a form similar to the original proposal, as prescribed by the commission.

(b) A district which has filed a resolution of intention to file an alternative proposal but which does not file a completed application within the prescribed time period, shall be deemed to have consented to the original proposal to form a subsidiary district.

(c) After receiving an alternative proposal, the executive officer shall analyze and report on both the original proposal and the alternative proposal concurrently and set both for hearing by the commission in order that both proposals may be considered simultaneously at a single hearing.

(d) "Alternative proposal," as used in this section, means an alternative proposal to a subsidiary district proposal as provided for in Section 56829.

SEC. 4. Section 56831 of the Government Code is amended to read:

56831. (a) Within 35 days following the conclusion of a hearing on an original and an alternative proposal to form a subsidiary district, the commission shall adopt its resolution of determination, which shall do one of the following:

(1) Deny both the original proposal and the alternative proposal.

(2) Approve both the original proposal and the alternative proposal.

(3) Approve one proposal and deny the other.

(b) If the commission approves both proposals, it shall adopt an order directing the board of supervisors to consider both proposals at a single hearing and to do one of the following:

(1) Deny both the original proposal and the alternative proposal.

(2) Approve both the original proposal and the alternative proposal.

(3) Approve one proposal and deny the other.

(c) "Alternative proposal," as used in this section, means an alternative proposal to a subsidiary district proposal as provided for in Section 56829.

SEC. 5. Section 57002 of the Government Code is amended to read:

57002. (a) Within 35 days following the adoption of the commission's resolution making determinations, the clerk of the conducting authority shall set the proposal for hearing and give notice of that hearing by mailing, publication, and posting, as provided in Chapter 4 (commencing with Section 56150) of Part 1. The date of that hearing shall not be less than 15 days, or more than 60 days, after the date the notice is given.

(b) Where the proceeding is for the establishment of a district of limited powers as a subsidiary district of a city, upon the request of the affected district, the date of the hearing shall be at least 90 days, but no more than 135 days, from the date the notice is given.

(c) If authorized by the commission pursuant to Section 56837, a change of organization or reorganization may be approved by resolution of the conducting authority without notice, hearing, and election.

SEC. 6. Section 57088 of the Government Code is amended to read:

57088. In any resolution approving, subject to the confirmation of the voters, both an original and an alternative proposal as determined by the commission pursuant to paragraph (2) of subdivision (a) of Section 56831, the ballot at the election shall enable those voting to do one of the following:

(a) Disapprove both proposals.

(b) Approve either the original proposal or the alternative proposal.

The board of supervisors shall adopt a resolution confirming the proposal which was favored by a majority of votes cast at the election. Where both proposals were favored by a majority of the votes cast, the board of supervisors shall adopt a resolution confirming the proposal which received the greater number of votes.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 234

An act to amend Section 10211 of the Elections Code, relating to elections.

[Approved by Governor July 28, 1989. Filed with Secretary of State July 28, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 10211 of the Elections Code is amended to read:

10211. (a) With the exception of candidates for Justice of the State Supreme Court or court of appeal, immediately under the name of each candidate, and not separated from the name by any line, may appear at the option of the candidate only one of the following designations:

(1) Words designating the elective city, county, district, state, or federal office which the candidate holds at the time of filing the nomination documents to which he or she was elected by vote of the people, or to which he or she was appointed, in the case of a superior, municipal, or justice court judge.

(2) The word "incumbent" if the candidate is a candidate for the same office which he or she holds at the time of filing the nomination papers, and was elected to that office by a vote of the people, or, in the case of a superior, municipal, or justice court judge, was appointed to that office.

(3) No more than three words designating the principal professions, vocations, or occupations of the candidate. For purposes of this section, all California geographical names shall be considered to be one word.

(4) The phrase "appointed incumbent" if the candidate holds an office other than a judicial office by virtue of appointment, and the candidate is a candidate for election to the same office, or, if the candidate is a candidate for election to the same office or to some other office, the word "appointed" and the title of the office. In either instance, the candidate may not use the unmodified word "incumbent" or any words designating the office unmodified by the word "appointed." However, the phrase "appointed incumbent" shall not be required of a candidate who seeks reelection to an office which he or she holds and to which he or she was appointed, as a nominated candidate, in lieu of an election, pursuant to Sections 5326, 5327, and 5328 of the Education Code or Section 8873, 9373, 9723, 22844, or 23520 of the Elections Code.

(b) Neither the Secretary of State nor any other election official shall accept a designation which:

(1) Would mislead the voter.

(2) Would suggest an evaluation of a candidate, such as outstanding, leading, expert, virtuous, or eminent.

(3) Abbreviates the word "retired" or places it following any word or words which it modifies.

(4) Uses a word or prefix, such as "former" or "ex-," which means a prior status. The only exception is the use of the word "retired."

(5) Uses the name of any political party, whether or not it has qualified for the ballot.

(6) Uses a word or words referring to a racial, religious, or ethnic group.

(7) Refers to any activity, which activity is prohibited by law.

(c) If upon checking the nomination documents the election official finds the designation to be in violation of any of the restrictions set forth in this section, the election official shall notify the candidate by registered or certified mail return receipt requested, addressed to the mailing address appearing on the candidate's nomination documents.

(1) The candidate shall, within three days from the date of receipt of the notice, appear before the election officer or, in the case of the Secretary of State, notify the Secretary of State by telephone, and provide an alternate designation.

(2) In the event the candidate fails to provide an alternate designation, no designation shall appear after the candidate's name.

(d) No designation given by a candidate shall be changed by the candidate after the final date for filing nomination documents, except as specifically requested by the election official as specified in subdivision (c) or as provided in subdivision (e).

(e) The designation shall remain the same for all purposes of both primary and general elections unless the candidate, at least 83 days prior to the general election requests in writing a different designation which the candidate is entitled to use at the time of the request.

(f) In all cases words so used shall be printed in 8-point roman uppercase and lowercase type except that if the designation selected is so long that it would conflict with the space requirements of Sections 10207 and 10221, the election official shall use a type size for the designation for each candidate for that office sufficiently smaller to meet these requirements.

(g) Whenever a foreign language translation of a candidate's designation is required under the Voting Rights Act of 1965 (42 U.S.C.A. Sec. 1971) to appear on the ballot in addition to the English language version, it shall be as short as possible, as consistent as is practicable with the provisions of this section, and shall employ abbreviations and initials wherever possible in order to avoid undue length.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for

reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 235

An act to amend Section 29645 of, and to add Sections 15105 and 29645.1 to, the Elections Code, relating to elections.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 15105 is added to the Elections Code, to read:

15105. (a) An exact copy of the source code for all ballot tally software programs shall be placed in an approved escrow facility prior to its use.

(b) The Secretary of State shall adopt regulations relating to the following:

(1) The definition of source codes for ballot tally software.

(2) Specifications for the escrow facility, including security and environmental specifications necessary for the preservation of the ballot tally software program source codes.

(3) Procedures for submitting ballot tally software program source codes.

(4) Criteria for access to ballot tally software program source codes.

(c) The Secretary of State may seek injunctive relief requiring the elections officials to comply with this section and related regulations. Venue for a proceeding under this section shall be exclusively in Sacramento County.

(d) This section applies to all elections.

SEC. 2. Section 29645 of the Elections Code is amended to read:

29645. Any person is guilty of a felony, punishable by imprisonment in a state prison for two, three, or four years who, before or during an election:

(a) Tampers with, interferes with, or attempts to interfere with, the correct operation of, or willfully damages in order to prevent the use of, any voting machine, voting device, voting system, vote tabulating device, or ballot tally software program source codes.

(b) Interferes or attempts to interfere with the secrecy of voting or ballot tally software program source codes.

(c) Knowingly, and without authorization, makes or has in his or

her possession a key to a voting machine that has been adopted and will be used in elections in this state.

(d) Willfully substitutes or attempts to substitute forged or counterfeit ballot tally software program source codes.

SEC. 3. Section 29645.1 is added to the Elections Code, to read:

29645.1. Any person who aids or abets in the commission of any of the offenses described in Section 29645 is punishable by imprisonment in the county jail for a period of six months or in the state prison for 16 months or two or three years.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 236

An act to amend Section 9396 of the Welfare and Institutions Code, relating to aging, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 1989. Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 9396 of the Welfare and Institutions Code is amended to read:

9396. (a) There is hereby established the Community Care Facility Demonstration Project for the Elderly in accordance with the provisions of this section. The Multipurpose Senior Services Program shall administer the Community Care Facilities Demonstration Project for the Elderly. The Multipurpose Senior Services Program may contract with the State Department of Health Services for the utilization of funds from the Health Care Deposit Fund upon determination that the demonstration project qualifies for federal financial participation as stipulated in subdivision (e).

(b) The Multipurpose Senior Services Program shall contract with two local Multipurpose Senior Services Program sites to serve as demonstration sites. One site shall be in the northern and one in the southern part of the state. The sites shall be selected through a request for proposal process.

(c) The project shall serve a selected number of frail elderly

persons, whose current medical assessment does not indicate the need for long-term intermediate or skilled nursing care. "Frail elderly persons," for purposes of this chapter, means those persons as defined in Section 9111 who meet current Medi-Cal criteria for being "certified" or "certifiable" for admission into intermediate or skilled nursing care facilities, and whom a physician has determined may remain in a community care facility with services as provided for by this section. Participating facilities shall be limited to those licensed community care facilities serving adults, as defined in Section 80001 of Title 22 of the California Code of Regulations. During the demonstration project a total of 120 persons at any one time shall be served in the two local Multipurpose Senior Services Program sites selected for participation under this chapter. Personal care services shall be purchased through the use of funds appropriated for purposes of Chapter 7 (commencing with Section 14000) of Part 3 of Division 9. Participation by a person or a community care facility shall be voluntary. Personal care provided pursuant to this chapter shall supplement, and not replace, personal care provided by community care facilities pursuant to statutory and regulatory requirements which are required to be met in order to obtain and maintain a community care facility license. This supplemental care shall be provided only when the level of care needed by a person participating under this chapter exceeds that which can be provided by the community care facility pursuant to existing statutory and regulatory requirements which are required to be met in order to obtain and maintain a community care facility license. Determination as to the necessary level of care shall be based on an assessment of need performed initially, and at six-month intervals thereafter by the case manager.

(d) The Multipurpose Senior Services Program shall submit an evaluation of this project to the Legislature not later than July 1, 1988. The evaluation shall do all of the following:

(1) Describe the service providers and the services they provide and compare them to services provided to persons within skilled nursing, intermediate care, and nonmedical community care facilities and persons receiving home health services while residing in their own homes.

(2) Describe the program participants and compare them to those residing in skilled nursing, intermediate care, and nonmedical community care facilities and persons receiving home health services while in their own homes.

(3) Contain a description of the criteria used to select participants and compare them to criteria used to determine who would be more suitably cared for in skilled nursing or intermediate care facilities.

(4) Compare the total governmental costs incurred for persons participating in this project with the costs of care provided by skilled nursing facilities.

(5) Assess the extent to which the demonstration project, in fact, did delay or prevent care in an intermediate or skilled nursing

facility and the cost effectiveness of the project.

(e) Implementation of the demonstration project is dependent upon the availability of federal financial participation for the services to be provided.

Implementation of the project shall be subject to receipt of required waivers or waiver amendments. Use of existing federal waivers and existing program authority shall be the first priority for implementation of this chapter. The Multipurpose Senior Services Program shall seek new waivers from the federal government if implementation cannot be carried out through existing waivers or existing categorical programs. The Secretary of the Health and Welfare Agency shall have the authority to waive existing state statutes or regulations at the request of the Multipurpose Senior Services Program that would prohibit or restrict the ability of the Multipurpose Senior Services Program to provide for the services authorized by this section.

(f)

(g) Funds to support this project shall be allocated from existing federal and General Fund moneys which support the Multipurpose Senior Services Program.

(h) This section shall remain operative only until June 30, 1991, and shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the frail elderly to continue to receive needed services under the Community Care Facility Demonstration Project, it is necessary that this act take effect immediately.

CHAPTER 237

An act to repeal Section 1797.98d of the Health and Safety Code, relating to emergency medical services.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1797.98d of the Health and Safety Code is repealed.

CHAPTER 238

An act to amend Sections 25301 and 25305 of the Elections Code, relating to elections.

[Approved by Governor July 28, 1989. Filed with Secretary of State July 28, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25301 of the Elections Code is amended to read:

25301. (a) Except in the case of a judicial office filled in accordance with subdivision (d) of Section 16 of Article VI of the Constitution, every candidate for a judicial office, not more than 14 nor less than five days prior to the first day on which his or her nomination papers may be circulated and signed or may be presented for filing, shall file in the office of the county elections official in which his or her nomination papers are required to be filed or left for examination, a written and signed declaration in duplicate of his or her intention to become a candidate for that office on a form to be supplied by the county elections officials. A candidate for a numerically designated judicial office shall state in his or her declaration for which office he or she intends to become a candidate. A copy of each declaration of intention filed in accordance with this article, except those for municipal and justice court offices, shall be immediately forwarded by the county elections official to the Secretary of State. This section shall apply to all judicial offices whether numerically designated or not.

(b) If the incumbent of a judicial office fails to file a declaration of intention by the end of the period specified in subdivision (a), persons other than the incumbent may file declarations of intention no later than the first day for filing nomination papers.

SEC. 2. Section 25305 of the Elections Code is amended to read:

25305. (a) If an incumbent of a judicial office dies on or before the last day prescribed for the filing of nomination papers, or for any reason fails to file his or her nomination papers by the last day prescribed for the filing of the papers, an additional five days shall be allowed for the filing of nomination papers for the office.

(b) Any person, other than the person who was the incumbent, if otherwise qualified, may file nomination papers for the office during the extended period, notwithstanding that he or she has not filed a written and signed declaration of intention to become a candidate for the office as provided in Sections 25301 and 25302.

SEC. 3. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any

remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 239

An act to amend Section 1339.54 of, and to repeal and add Section 1339.59 of, the Health and Safety Code, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 28, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1339.54 of the Health and Safety Code is amended to read:

1339.54. The state department shall establish a demonstration project for one intermediate care facility for chronically or terminally ill children as provided in this chapter as follows:

(a) On or before July 1, 1985, the state department shall contract with a qualified organization in Sacramento County using a competitive bidding process to conduct the demonstration project.

(b) On or before July 1, 1989, the state department shall submit to the Legislature an evaluation report which shall include, but not be limited to, all of the following:

(1) The number of children served.

(2) The medical diagnosis of children served.

(3) The reasons for admission.

(4) The services provided.

(5) The length of stay.

(6) The reason for discharge.

(7) An evaluation of the services by the family.

(8) The private and public cost of service.

(9) Recommendations for expansion or termination of the program. If it is recommended that the program be expanded, the report shall identify possible funding sources for the expansion and shall identify any waivers necessary to secure the funding.

(10) An assessment of the cost effectiveness of the project.

(c) The state department shall conduct an evaluation of the program at least annually.

(d) The demonstration project established pursuant to the section, shall be extended until July 1, 1990.

SEC. 2. Section 1339.59 of the Health and Safety Code is repealed.

SEC. 3. Section 1339.59 is added to the Health and Safety Code, to read:

1339.59. Subject to approval by the state department, the provider of services pursuant to the demonstration project shall establish a daily rate based on the cost of care, and a sliding daily fee scale based on ability to pay. The families of children receiving services under this chapter shall be billed in accordance with the sliding fee scale.

SEC. 4. The sum of one hundred forty thousand dollars ($140,000) is hereby appropriated from the General Fund to the State Department of Health Services for the purposes of continuation of the demonstration project pursuant to Article 11 (commencing with Section 1339.50) of Chapter 2 of Division 2 of the Health and Safety Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide an urgently needed extention for the existing demonstration project for chronically or terminally ill children, it is necessary for this act to take effect immediately.

CHAPTER 240

An act to amend Section 2610.5 of the Revenue and Taxation Code, relating to property taxation.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2610.5 of the Revenue and Taxation Code is amended to read:

2610.5. Annually, on or before November 1, the tax collector shall mail a county tax bill or a copy thereof for every property on the secured roll. This requirement need not be met where no taxes are due. Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section of this code shall be canceled if the assessee or fee owner demonstrates to the tax collector that delinquency is due to the tax collector's failure to mail the tax bill to the address provided on the tax roll. Penalties imposed may be canceled if the board of supervisors, upon recommendation of the tax collector, has authorized the tax collector to establish, and the tax collector has so established, specific procedures for the consideration of penalty cancellations. Those procedures may provide that penalties imposed

may be canceled by resolution of the county board of supervisors upon the recommendation of the tax collector if the assessees or fee owners demonstrate to the tax collector that the delinquency is due to the county's failure to send a notice of taxes to the owner of property acquired after the lien date on the secured roll, provided payment of the amount of taxes due, minus any penalties and costs, is made no later than June 30 of the fiscal year in which the property owner is named as the assessee for taxes coming due.

With respect to a late, amended, or corrected tax bill, the penalties imposed for delinquent taxes shall be canceled if the tax amount is paid within 30 days following the date that bill is mailed.

Under no circumstance shall a taxpayer have fewer than 30 days to pay without penalty.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 241

An act to amend Sections 22032 and 22304 of, and to add Section 22003 to, the Public Contract Code, relating to public contracts.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22003 is added to the Public Contract Code, to read:

22003. A public agency which has, by resolution, elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010), may utilize the bidding procedures set forth in Article 3 (commencing with Section 22030) when contracting for "maintenance work," as defined in Section 22002, or when contracting for any other work which does not fall within the definition of "public project," as defined in Section 22002.

SEC. 2. Section 22032 of the Public Contract Code is amended to read:

22032. (a) Public projects of twenty-five thousand dollars ($25,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of seventy-five thousand dollars ($75,000) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than seventy-five thousand dollars ($75,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.

SEC. 3. Section 22034 of the Public Contract Code is amended to read:

22034. Each public agency which elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010), shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following:

(a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.

(b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals specified in Section 22036, shall be mailed a notice inviting informal bids unless the product or service is proprietary.

(c) All mailing of notices to contractors and construction trade journals pursuant to subdivision (b) shall be completed not less than 10 calendar days before bids are due.

(d) The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

(f) If all bids received are in excess of seventy-five thousand dollars ($75,000), the governing body of the public agency may by passage of a resolution by a four-fifths vote, award the contract, at eighty thousand dollars ($80,000), or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

CHAPTER 242

An act to amend Sections 52904 and 58561 of, and to add Section 58562 to, the Education Code, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 1989. Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 52904 of the Education Code is amended to read:

52904. This article shall become inoperative on June 30, 1994, and, as of January 1, 1995, is repealed, unless a later enacted statute which becomes effective on or before January 1, 1995, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 58561 of the Education Code is amended to read:

58561. This chapter shall become inoperative on June 30, 1994, and, as of January 1, 1995, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1995, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 58562 is added to the Education Code, to read:

58562. In accordance with the program evaluation goals and objectives adopted pursuant to subdivision (f) of Section 52902 and Section 58560, the Superintendent of Public Instruction shall contract for an independent evaluation of the Alternative Education and Work Centers and the Educational Clinic programs, and report the evaluation results, together with any policy recommendations, to the Legislature on or before January 1, 1991, and again on or before January 1, 1993. Each of the reports shall address, but not be limited to, the following:

(a) The reduction in truancy and dropout rates and the number of school dropouts who returned to school or other alternative educational programs.

(b) The number of youths who obtain employment during or upon completion of instruction received from these programs.

(c) The number of dropouts who maintained positive transition one year after transition from these programs.

(d) An analysis of the effectiveness of the programs in increasing the total number of pupils completing their high school graduation or high school equivalency, compared to the rates of graduation of other similar programs, as well as other positive outcomes, including, but not limited to, enrollment rates, and the number of people entering into vocational training programs, enrolling in postsecondary educational institutions, or enlisting in the military service.

(e) An evaluation of the cost-effectiveness of these programs in

comparison to other similar programs that serve high-risk youth. The evaluation shall include an analysis of the total amount of reimbursements provided for services for high school dropouts under these programs and the total number of pupils served, including an analysis of cost per pupil and analysis of pupil performance levels compared to other similar programs.

(f) Each certified program providing dropout recovery services shall cooperate with the State Department of Education or the independent evaluator, or both, in the evaluations required by this section by supplying information requested by the Superintendent of Public Instruction or the independent evaluator, or both, as being necessary for the purposes of these evaluations.

SEC. 4. The sum of three million dollars ($3,000,000) is hereby reappropriated from paragraph (9) of subdivision (a) of Section 36 of Assembly Bill 198 of the 1989-90 Regular Session to the Superintendent of Public Instruction for the 1989-90 fiscal year for allocation as follows:

(a) One million four hundred thousand dollars ($1,400,000) shall be available for the funding of outreach consultants by up to 50 school districts with dropout recovery program plans developed in accordance with Article 7 (commencing with Section 52900) of Chapter 12 of Part 28 of the Education Code.

(b) One million six hundred thousand dollars ($1,600,000) shall be available for payments to certified educational clinics established in accordance with Chapter 3.5 (commencing with Section 58550) of Part 31 of the Education Code.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Article 7 (commencing with Section 52900) of Chapter 12 of Part 28 of, and Chapter 3.5 (commencing with Section 58550) of Part 31 of, the Education Code, contain provisions for specialized programs designed to provide targeted educational and career training to high school dropouts. Without this act, the two programs, which have proven to be extremely effective in returning dropouts to the school or job training systems, will be repealed pursuant to existing law. In order to prevent an interruption in service to these youth who are desperately in need, it is necessary that this act take effect immediately.

CHAPTER 243

An act to amend Section 6600 of the Fish and Game Code, relating to ocean fishing research.

[Approved by Governor July 28, 1989. Filed with Secretary of State July 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 6600 of the Fish and Game Code is amended to read:

6600. This article shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 244

An act to amend Section 7.5 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session), relating to the Ventura County Flood Control District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7.5 of the Ventura County Flood Control Act (Chapter 44 of the Statutes of 1944, Second Extraordinary Session) is amended to read:

Sec. 7.5. (a) In addition to the powers specified in Section 7, the district shall have the power to borrow money to finance any flood control or conservation project of any zone of the district. In zone 1 the loans shall not exceed one percent of the total assessed valuation of the zone; in zones 2, 3, and 4 the loans shall not exceed two percent of the assessed valuation of the respective zones; and in special zones the loans shall not exceed five percent of the assessed valuation of the

special zone. Any loan shall be repaid in installments over a period not to exceed the term approved at the special election required by this section. The loan shall constitute a charge against the funds of the zone in which the construction occurs. Pursuant to the powers herein granted, the board of supervisors may borrow money from the United States of America, or any agency or department thereof, or from the State of California or any agency or department thereof, or from any bank or banking institution authorized to transact business within the State of California or from any private corporation organized under the laws of the State of California and authorized by its articles of incorporation to lend money to public agencies for construction of public works. The power to borrow money authorized by this section shall be exercised only when both of the following actions have been taken:

(1) The board of supervisors has declared the existence of an emergency and ordered holding of a special election not less than 30 days from the date of the resolution declaring the existence of an emergency, or the board of supervisors has formed a special zone pursuant to Section 6.1 and ordered the holding of a special election not less than 30 days from the date of the resolution forming the special zone.

(2) The proposition of borrowing money has been ratified and authorized by two-thirds of the votes cast at a special election called for the purpose. A special election may be consolidated with a primary or general election.

(b) Interest on any loan shall not exceed the rate permitted under Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code. A loan made pursuant to this act shall be evidenced by a written contract signed by the chairman of the board specifying the particular flood control work or projects for which the contracts shall be let. If a surplus remains after completion of the work, the surplus shall be applied to the payment of the principal and interest due under the the contract. The board of supervisors shall annually levy a tax upon the taxable property of the zone or zones within which the work is performed, sufficient to pay the installments and interest on the loan as the same shall become due and payable in accordance with the terms of the contract, except that the tax levy for the payment of principal and interest on any loan shall not, together with all other charges and obligations for construction, maintenance, operation, and improvements within the zone, exceed the limitations fixed by Section 12.

(c) All tax liens for taxes imposed pursuant to this section shall attach annually as of noon on the first Monday in March preceding the fiscal year for which the taxes are levied.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to finance urgently needed flood control projects at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 245

An act to amend Section 25258 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 28, 1989. Filed with Secretary of State July 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25258 of the Vehicle Code is amended to read:

25258. (a) An authorized emergency vehicle operating under the conditions specified in Section 21055 may display a flashing white light from a gaseous discharge lamp designed and used for the purpose of controlling official traffic control signals.

(b) An authorized emergency vehicle used by a peace officer, as defined in Section 830.1, subdivision (a), (b), (d), (e), (g), or (h) of Section 830.2, subdivision (b), (c), (g), (h), or (i) of Section 830.31, or subdivision (g), (j), or (k) of Section 830.4 of the Penal Code, in the performance of the peace officer's duties, may, in addition, display a steady or flashing blue warning light visible from the front, sides, or rear of the vehicle.

CHAPTER 246

An act to amend Sections 12002, 12003, and 12100 of the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 12002 of the Business and Professions Code is amended to read:

12002. "Department" means the Department of Food and Agriculture.

SEC. 2. Section 12003 of the Business and Professions Code is amended to read:

12003. "Director" means the Director of Food and Agriculture.

SEC. 3. Section 12100 of the Business and Professions Code is amended to read:

12100. Where not otherwise provided by law, the Department of Food and Agriculture has general supervision of the weights and measures and weighing and measuring devices sold or used in the state.

CHAPTER 247

An act to amend Section 23249.58 of the Vehicle Code, relating to driving offenses.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 23249.58 of the Vehicle Code is amended to read:

23249.58. This article shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 248

An act to amend Section 1247.3 of the Business and Professions Code, relating to hemodialysis technicians, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 1989 Filed with Secretary of State July 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that the Hemodialysis Technician Training Act of 1987 (Ch. 1297, Stats. 1987), which was intended to deal only with training requirements for

hemodialysis technicians, deleted a provision that allowed them to provide treatment in the home; and it is crucial to avoid any confusion or controversy over the provision of this treatment modality.

SEC. 2. Section 1247.3 of the Business and Professions Code is amended to read:

1247.3. The treatment of patients by a hemodialysis technician includes performing venipuncture and arterial puncture for the purpose of providing dialysis treatment for a patient. The treatment of patients includes the administration of local anesthetics, heparin, and sodium chloride solutions. The administration of these medications shall be pursuant to protocol established by the medical director of the hemodialysis clinic or unit and shall be under the immediate supervision of a licensed physician and surgeon or a licensed registered nurse. The administration of local anesthetics shall be limited to intradermal, subcutaneous, or topical administration. Hemodialysis technicians who treat patients in the home and are certified by the Board of Nephrology Examination for Nurses and Technicians are exempted from the requirements of immediate supervision until January 1, 1991.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that there is no interruption of life-sustaining hemodialysis treatments, it is necessary that this act go into immediate effect.

CHAPTER 249

An act to amend Section 20138 of, and to add Section 20164.5 to, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 20138 of the Government Code is amended to read:

20138. The board shall submit an annual report to the Legislature, which report shall include:

(a) A copy of the annual audit performed pursuant to Section 20233.

(b) A review by a consultant, a summary of any changes in actuarial assumptions from the previous year, a review of the system's asset mix strategy, a market review of the economic and

financial environment in which investments were made, and a summary of the system's general investment strategy.

(c) A description of the system's investments, including the concentration of stocks and bonds, at cost and market value, including dividends and coupons, and a summary of major changes that occurred since the previous year.

(d) The following information regarding the rate of return of the system by asset type:

(1) Time-weighted return on a five-year, three-year, two-year, and one-year basis.

(2) Dollar-weighted return on a five-year, three-year, two-year, and one-year basis.

(3) Book valuation return on a five-year, three-year, two-year, and one-year basis.

(4) Portfolio return comparisons which compare investment returns with an alternative theoretical portfolio of comparable funds, universes, and indexes.

(5) Returns as credited to employer accounts.

(6) Returns as reported in the annual reports.

(7) Returns as reported by the Controller.

(e) A transaction summary which shall adequately review the system's custodial relationship and daily cash management, purchases, sales, turnover, private placements, soft dollar purchases, and transaction costs such as commissions, dealer spreads, and accommodations.

(f) The system shall report on the use of outside investment advisers and managers and any participation in corporate annual meetings and shareholder voting.

(g) A statement of actuarial gains and losses, including the components of the employer contribution rate, and the sensitivity of the statement information to changes in the economic or noneconomic actuarial assumptions.

(h) A discussion of the system's portfolio containing the following information:

(1) Concentration, current holdings at cost and market value, risk characteristics (R-squared, Beta standard error), and fundamentals (P/E, dividend yield, measures of growth, size, earnings quality, debt/equity) of equities.

(2) Concentration, current holdings at cost and market value, maturity, duration, quality, coupon, and current yield of fixed income instruments.

(3) Current holdings at cost and market value of real estate equities.

(4) Current holdings at cost and market value of mortgages.

(5) Securities lending activity.

(6) Options and forward commitments.

(7) Cash and cash equivalents.

(i) Include a performance review of asset allocation, of equities due to market timing, sector selection, stock selection and trading,

of fixed income instruments due to interest rate anticipation skills, credit analysis, sector trading and swapping and of value added over indexing (alpha).

(j) A review of the system's custodial relationship and daily cash management and a summary of the system's investment transactions, including purchases, sales, turnover, private placements, soft dollar purchases, and transaction costs such as commissions, dealer spreads and accommodations.

(k) A review of the role of any outside managers and advisers, shareholder voting, and changes in investment staff or reorganization.

SEC. 2. Section 20164.5 is added to the Government Code, to read:

20164.5. The system shall provide to any member who requests materials relating to retirement, a written explanation of the effects, if any, of each possible decision relating to the selection of optional settlements, beneficiaries, and survivor benefits upon health benefits which are provided pursuant to Part 5 (commencing with Section 22751) of this division.

CHAPTER 250

An act to amend Section 33670 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 33670 of the Health and Safety Code is amended to read:

33670. Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in a redevelopment project each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of that property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid (for the purpose of allocating taxes

levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after that effective date, the assessment roll of the county last equalized on the effective date of the ordinance shall be used in determining the assessed valuation of the taxable property in the project on the effective date); and

(b) Except as provided in subdivision (e), that portion of the levied taxes each year in excess of that amount shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in that project as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid to the respective taxing agencies. When the loans, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in such redevelopment project shall be paid to the respective taxing agencies as taxes on all other property are paid.

(c) In any redevelopment project in which taxes have been divided pursuant to this section prior to 1968, located within any county with total assessed valuation subject to general property taxes for the fiscal year 1967–1968 between two billion dollars ($2,000,000,000) and two billion one hundred million dollars ($2,100,000,000), if the total assessed valuation of taxable property within the redevelopment project for the fiscal year 1967–1968 was reduced, the total sum of the assessed value of taxable property used as the basis for apportionment of taxes under subdivision (a) shall be reduced by 10 percent for the fiscal year 1968–1969 and fiscal years thereafter.

(d) For the purposes of this section, taxes shall not include taxes from the supplemental assessment roll levied pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code for the 1983–84 fiscal year.

(e) That portion of the taxes in excess of the amount identified in subdivision (a) which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This subdivision shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the duties, obligations, or responsibilities imposed on local government by this act were expressly included in a ballot measure approved by the voters in a statewide election. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 251

An act to amend Section 4799.13 of the Public Resources Code, relating to forest resources.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4799.13 of the Public Resources Code is amended to read:

4799.13. (a) There is hereby created in the State Treasury, the Forest Resources Improvement Fund. The moneys in the Forest Resources Improvement Fund may only be expended, when appropriated therefor by the Legislature, for the following purposes:

(1) Forest improvement programs and related administrative costs pursuant to Chapter 1 (commencing with Section 4790).

(2) Urban forestry programs and related administrative costs pursuant to Chapter 2 (commencing with Section 4799.06).

(3) Wood energy programs pursuant to Chapter 4 (commencing with Section 4799.14).

(4) Reimbursing the General Fund for the cost of operation of the state forests administered by the director pursuant to Section 4646.

(5) Cost of operations associated with management of lands held in trust by the state and operated as demonstration state forests by the department pursuant to Section 4646, if those lands are managed so that they produce revenue that offsets, within a reasonable period of time, any costs to the state of managing those lands.

(b) No moneys in the Forest Resources Improvement Fund may be used for the costs of administering the Z'berg-Nejedly Forest Practice Act of 1973 (Chapter 8 (commencing with Section 4511) of Part 2).

(c) The Forest Resources Improvement Fund shall be the depository for all revenue derived from the repayment of loans made or interest received pursuant to Chapter 1 (commencing with Section 4790) of this part, and the receipts from the sale of forest products, as defined in Section 4638, from the state forests. Ten percent of the net state forest receipts from the sale of forest

products, after the General Fund is reimbursed for costs of operating the state forests, is available, when appropriated therefor by the Legislature, for urban forestry programs pursuant to Chapter 2 (commencing with Section 4799.06) of this part.

(d) The director may accept grants and donations of equipment, seedlings, labor, materials, or funds from any source for the purpose of supporting or facilitating activities undertaken pursuant to this part. Any funds received shall be deposited by the director in the Forest Resources Improvement Fund.

(e) Each proposed expenditure by the department of moneys from the Forest Resources Improvement Fund shall be included as a separate item and scheduled individually in the Budget Bill for each fiscal year for consideration by the Legislature. These appropriations shall be subject to all of the limitations contained in the Budget Bill and to all other fiscal procedures prescribed by law with respect to the expenditure of state funds.

CHAPTER 252

An act to amend Section 199 of the Streets and Highways Code, relating to transportation funding.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 199 of the Streets and Highways Code is amended to read:

199. (a) Upon the approval of a proposition by the voters of an area pursuant to Section 4 of Article XIX of the California Constitution, the entity, including, but not limited to, a transit district, responsible for construction of an exclusive public mass transit guideway project in that area may submit the project to the department for inclusion in its resource allocation recommendations. If the project is located within an area under the jurisdiction of a statutorily created transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board, the project shall be approved by that agency, commission, or board, as the case may be, prior to being submitted to the department.

(b) Projects eligible for funding as exclusive public mass transit guideway projects include projects on rail lines on which publicly funded rail passenger service is provided or is proposed to be provided, if the voters have approved a proposition pursuant to Section 4 of Article XIX of the California Constitution for the area in which the project is to be located. The department, or a local entity, including, but not limited to, a transit district, may submit the

project to the department for inclusion in its resource allocation recommendations. If the project is located within an area under the jurisdiction of a statutorily created transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board, the project shall be approved by that agency, commission, or board, as the case may be, prior to being submitted to the department.

(c) The department shall submit its resource allocation recommendations for that project for the comment and review of the transportation planning agency designated in Section 29532 of the Government Code for the area, except that, in the case of a project located within an area under the jurisdiction of a statutorily created transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board, the project shall be approved by that agency, commission, or board, as the case may be. Each project shall be submitted by the department to the California Transportation Commission for the allocation of funds to the project from those funds appropriated for guideway purposes from the State Highway Account. Allocations shall be made under terms and conditions that the commission deems appropriate, taking into consideration any recommendation of the department and any agency, commission, or board.

(d) The funds set aside pursuant to this section from the State Highway Account are expenditures on the state highway system for purposes of Sections 188 and 188.8 and shall be separately identified in the budget report submitted to the Legislature. However, the commission shall make multiyear commitments for programming guideway projects over the five-year period of the state transportation improvement program if the projects require funding in more than one year.

(e) If the department and the commission determine that funding is not available from the Transportation Planning and Development Account in the State Transportation Fund for all eligible transit capital improvements, projects eligible for funding pursuant to Section 4 of Article XIX of the California Constitution shall be so funded.

CHAPTER 253

An act to amend Section 26592 of the Health and Safety Code, relating to drinking water, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 26592 of the Health and Safety Code is amended to read:

26592. (a) The department shall adopt and enforce the regulations it determines are reasonably necessary to ensure that all bottled water, vended water, water from water haulers, water from retail water treatment plants, and water from private water sources which is sold or otherwise distributed in this state is pure, wholesome, potable, and contains no inorganic chemicals or organic chemicals, including pesticides and plasticizers in concentrations which may have an adverse effect on public health and safety. The regulations shall include, but not be limited to, all of the following:

(1) Minimum standards for the sanitary production and distribution of bottled, vended, and hauled water, and water from retail water treatment plants and private water sources within this state. The standards shall include, but not be limited to, all of the following:

(A) Standards for the sanitary production, packaging, and distribution of bottled water shall not be less stringent than those standards prescribed by Part 110 and Part 129 of Title 21 of the Code of Federal Regulations.

(B) Standards to ensure that, prior to bottling, bottled water shall be subject to effective germicidal treatment by ozone, ultraviolet, or an equivalent disinfection process approved by the state department. The standards developed pursuant to this category for bottled water which contains carbon dioxide shall prescribe that sufficient compliance includes meeting the microbiological requirements described in Section 103.35 of Title 21 of the Code of Federal Regulations.

(C) Standards to ensure that dispensers for bottled water, which are furnished by the water bottler or distributor shall be delivered to the consumer's premises in a clean, sanitary condition, protected from dust or other contamination.

(D) Standards to ensure that ollas or other water-holding dispensers, both refrigerated and nonrefrigerated, shall be examined for cleanliness each time the dispenser is serviced by the representative of the distributor or bottler. When necessary, these dispensers shall be sanitized in place or returned to the bottler or distributor for cleaning or sanitizing before reuse according to the

methods described in Part 129 of Title 21 of the Code of Federal Regulations.

(E) Standards for sanitary transfer of water from any source to storage or vehicle tanks, and from storage or vehicle tanks to customer owned or used storage tanks, vehicles, or other containers, or to water-vending machines, retail water treatment plants, or to water bottling plants.

(F) Standards for water quality and for sanitation of vehicle tanks, storage tanks, and distribution systems used by water haulers.

(G) Standards for sanitation and processing of water by retail water treatment plants.

(H) Standards for protection and sanitation of private water sources.

(2) Quality standards for bottled water, mineral water, vended water, water distributed by water haulers, water from retail water treatment plants, and water from private water sources.

(A) The quality standards of bottled water, including mineral water, vended water, water distributed directly to consumers by water haulers, water from retail water treatment plants, and water distributed directly to consumers from private water sources shall not be less stringent than those standards prescribed by Section 103.35 of Title 21 of the Code of Federal Regulations, except that water labeled as mineral water shall exceed 500 milligrams per liter of total dissolved solids, and may exceed the quality standards for chloride, copper, manganese, iron, sulfate, or zinc prescribed in Section 103.35 of Title 21 of the Code of Federal Regulations. The quality standards shall include all drinking water maximum contaminant levels and may include any additional standards that the department determines are reasonably necessary to protect public health and safety, including standards for chloride, copper, manganese, iron, sulfate, or zinc in mineral water. Mineral water producers which bottle 5,000 gallons, or less, per week shall have until February 1, 1990, to comply with the quality standards imposed pursuant to this paragraph. Mineral water producers may present data to the department on consumption of mineral water and the health effects of inorganic elements which may be present as listed in the bottled water quality standards of Section 103.35 of Title 21 of the Code of Federal Regulations.

(B) Bottled water shall not exceed 10 parts per billion of total trihalomethanes or five parts per billion of lead unless the department establishes a lower level by regulation.

(C) Notwithstanding any other provision of law, the quality standards shall ensure that bottled water, vended water, water from retail water treatment plants, water distributed by water haulers, and water from private water sources contain no inorganic or organic chemicals, including pesticides and plasticizers, in concentrations which may have an adverse effect on public health and safety.

(3) Polycarbonate resins manufactured after January 1, 1988, and intended for use in fabricating containers for water products defined

in this article shall not contain in excess of three parts per million residual methylene chloride or in excess of 200 parts per million residual monochlorobenzene unless the department establishes a lower level by regulation. For the purpose of monitoring compliance with this section, the concentration of methylene choride and monochlorobenzene shall not exceed one part per billion in water. "Polycarbonate resins" mean the substances defined by Section 177.1580 of Title 21 of the Code of Federal Regulations except as modified by this section.

(4) Minimum standards of design, construction, and sanitation for any water-vending machine. Those water-vending machines, other than coin-operated self-service devices, from which any operator or customer dispenses unit servings in bulk may be exempted by the department from the requirements of subparagraphs (G), (M), and (O). The minimum standard shall include, but not be limited to, all of the following:

(A) Provide that water-vending machines shall be in compliance with the construction and performance standards established by the department or by an independent authority approved by the department.

(B) Provide that all water-vending machines shall be designed and constructed to permit easy cleaning and maintenance of all exterior and interior surfaces.

(C) Provide that water-vending machines shall have all parts and surfaces which come into contact with the water constructed of approved, corrosive-resistant and nonabsorbent material capable of withstanding repeated cleaning and sanitizing treatment.

(D) Provide that water-vending machines shall have a recessed or guarded corrosion-resistant dispensing spout.

(E) Provide that water-vending machines be designed so all treatment of the vended water by distillation, ion exchange, filtration, ultraviolet light, reverse osmosis, mineral addition, or any other acceptable process is done in an effective manner.

(F) Provide that water-vending machines shall have an effective system of handling drip, spillage, and overflow of water.

(G) Provide that water-vending machines shall have a backflow prevention device approved by the department for all connections with the water supply.

(H) Provide for disinfecting vended water by ultraviolet light or other method approved by the department prior to delivery into the customer's container.

(I) Provide that water-vending machines shall be equipped with monitoring devices designed to shut down operation of the machine when the disinfection unit fails to function.

(J) Provide that water-vending machines shall be equipped with a self-closing, tight-fitting door on the vending compartment.

(K) Provide that water-vending machines shall comply with the American Water Works Association (AWWA) specifications for granular activated carbon if used in the treatment of potable water

(AWWA B604-74).

(L) Provide that water-vending machines shall be maintained in a clean and sanitary condition, free from dirt and vermin.

(M) Provide that water-vending machines shall be connected to a state approved and regulated public water supply.

(N) Provide that water-vending machines shall be located in an area that can be maintained in a clean condition and in a manner that avoids insect and rodent harborage.

(O) Provide that the water-vending machine shall be equipped with monitoring devices designed to shut down the labeled purified water delivery system if treatment of water by the machine does not result in a total dissolved solids content of less than 10 milligrams per liter in the purified water.

(5) Standards for labeling and advertising of bottled water, vended water, water distributed by a water hauler, water from a retail water treatment plant, and water from private water sources.

(6) Standards for processing bottled water through a line or lines used for any other food product.

(b) The department, upon the request of a local health officer, may authorize the local health officer to implement and enforce those provisions of this chapter which relate to water-vending machines, and retail water treatment plants under the terms and conditions specified by the department.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to overturn an unintended effect of legislation in 1987, which precluded the sale of mineral water in California, which created problems for persons who needed to drink alternative sources of drinking water, it is necessary that this act take effect immediately.

CHAPTER 254

An act to amend Sections 12021 and 12021.1 of the Penal Code, relating to firearms.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 12021 of the Penal Code is amended to read:

12021. (a) Any person who has been convicted of a felony under the laws of the United States, of the State of California, or any other state, government, or country, or of an offense enumerated in Section 12001.6, or who is addicted to the use of any narcotic drug,

who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a public offense, and shall be punishable by imprisonment in the state prison, or in a county jail not exceeding one year or by a fine not exceeding one thousand dollars ($1,000), or by both.

(b) Notwithstanding the provisions of subdivision (a), any person who has been convicted of a felony or of an offense enumerated in Section 12001.6, when such conviction results from certification by the juvenile court for prosecution as an adult in an adult court under the provisions of Section 707 of the Welfare and Institutions Code, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a public offense and shall be punishable by imprisonment in the state prison, or in a county jail not exceeding one year or by a fine not exceeding one thousand dollars ($1,000), or by both.

(c) Subdivision (a) shall not apply to a person who has been convicted of a felony under the laws of the United States unless:

(1) Conviction of a like offense under California law can only result in imposition of felony punishment; or

(2) The defendant was sentenced to a federal correctional facility for more than 30 days, or received a fine of more than one thousand dollars ($1,000), or received both such punishments.

SEC. 2. Section 12021.1 of the Penal Code is amended to read:

12021.1. (a) Notwithstanding the provisions of subdivision (a) of Section 12021, any person who has been previously convicted of any of the offenses listed in subdivision (b) and who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a public offense, and shall be punished by imprisonment in a county jail for at least six months and not exceeding one year, or by imprisonment in the state prison. A dismissal of an accusatory pleading pursuant to Section 1203.4a involving an offense set forth in subdivision (b) does not affect the finding of a previous conviction. If probation is granted, or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the defendant serve at least six months in a county jail.

(b) As used in this section, a violent offense includes any of the following:

(1) Murder or voluntary manslaughter.

(2) Mayhem.

(3) Rape.

(4) Sodomy by force, violence, duress, menace, or threat of great bodily harm.

(5) Oral copulation by force, violence, duress, menace, or threat of great bodily harm.

(6) Lewd acts on a child under the age of 14 years.

(7) Any felony punishable by death or imprisonment in the state prison for life.

(8) Any other felony in which the defendant inflicts great bodily injury on any person, other than an accomplice, which has been

charged and proven, or any felony in which the defendant uses a firearm which use has been charged and proven.

(9) Attempted murder.

(10) Assault with intent to commit rape or robbery.

(11) Assault with a deadly weapon or instrument on a peace officer.

(12) Assault by a life prisoner on a noninmate.

(13) Assault with a deadly weapon by an inmate.

(14) Arson.

(15) Exploding a destructive device or any explosive with intent to injure.

(16) Exploding a destructive device or any explosive causing great bodily injury.

(17) Exploding a destructive device or any explosive with intent to murder.

(18) Robbery.

(19) Kidnapping.

(20) Taking of a hostage by an inmate of a state prison.

(21) Attempt to commit a felony punishable by death or imprisonment in the state prison for life.

(22) Any felony in which the defendant personally used a dangerous or deadly weapon.

(23) Escape from a state prison by use of force or violence.

(24) Assault with a deadly weapon or force likely to produce great bodily injury.

(25) Any attempt to commit a crime listed in this subdivision other than an assault.

(26) Any offense enumerated in Section 12001.6.

(c) Any person previously convicted of any of the offenses listed in subdivision (b) which conviction results from certification by the juvenile court for prosecution as an adult in adult court under the provisions of Section 707 of the Welfare and Institutions Code, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a public offense, and shall be punished by imprisonment in a county jail for at least six months and not exceeding one year, or by imprisonment in the state prison. If probation is granted, or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the defendant serve at least six months in a county jail.

(d) The court shall apply the minimum sentence as specified in subdivisions (a) and (c) except in unusual cases where the interests of justice would best be served by granting probation or suspending the imposition or execution of sentence without the imprisonment required by subdivisions (a) and (c), or by granting probation or suspending the imposition or execution of sentence with conditions other than those set forth in subdivisions (a) and (c), in which case the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 255

An act to amend Section 8092 of the Education Code, relating to vocational education.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8092 of the Education Code is amended to read:

8092. Any school district or districts; any community college district or districts; any county superintendent or superintendents; or the governing body of any agency maintaining a regional occupational center or program may contract with a private postsecondary school authorized or approved pursuant to the provisions of Chapter 3 (commencing with Section 94300) of Part 59 and which has been in operation not less than two full calendar years prior to the effective date of such contract, to provide vocational skill training authorized by this code. Any school district, community college district, or county superintendent of schools may contract with an activity center, work activity center, or sheltered workshop to provide vocational skill training authorized by this code in any adult education program for substantially handicapped persons operated pursuant to subdivision (e) of Section 41976.

All contracts between a public entity and a private postsecondary school entered into pursuant to this section, or an activity center, work activity center, or sheltered workshop shall do all of the following:

(1) Be approved by the Department of Education or Chancellor of the California Community Colleges as appropriate pursuant to rules and regulations adopted by the State Board of Education or the Board of Governors of the California Community Colleges as appropriate.

(2) Provide that the amount contracted for per student shall not exceed the total direct and indirect costs to provide the same

training in the public schools or the tuition the private postsecondary school charges its private students, whichever is lower.

(3) Provide that the public school or community college students receiving training in a private postsecondary school, or an activity center, work activity center, or sheltered workshop pursuant to that contract may not be charged additional tuition for any training included in the contract. The attendance of those students pursuant to a contract authorized by this section shall be credited to the public entity for the purposes of apportionments from the State School Fund.

(4) Provide that all programs, courses, and classes of instruction shall meet the standards set forth in the California State Plan for Vocational Education, or is a course of study for adult schools approved by the State Department of Education under Section 51056.

The students who attend a private postsecondary school or an activity center, work activity center, or sheltered workshop pursuant to a contract under this section shall be enrollees of the public entity and the vocational instruction provided pursuant to that contract shall be under the exclusive control and management of the governing body of the contracting public entity.

The State Department of Finance and the Department of Education, or the board of governors, as the case may be, may audit the accounts of both the public entity and the private party involved in these contracts to the extent necessary to assure the integrity of the public funds involved.

CHAPTER 256

An act to repeal Section 25208.18 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25208.18 of the Health and Safety Code, as added by Chapter 920 of the Statutes of 1988, is repealed.

CHAPTER 257

An act to amend Section 14756 of the Government Code, and to amend Section 11106 of, and to add Sections 11106.1, 11106.2, 13103, and 13104 to, the Penal Code, relating to public records.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14756 of the Government Code is amended to read:

14756. The public records of any state agency may be microfilmed, electronically data imaged, or otherwise photographically reproduced and certified upon the written authorization of the head of the agency. The microfilming, electronic data imaging, or photographic reproduction shall meet the standard specification of the National Institute of Standards and Technology.

The certification of each reproduction or set of reproductions shall be in accordance with the standards, or have the approval, of the Attorney General. The certification shall contain a statement of the identity, description, and disposition or location of the records reproduced, the date, reason, and authorization for such reproduction, and such other information as the Attorney General requires.

The certified reproductions shall be deemed to be original public records for all purposes, including introduction in courts of law and state agencies.

SEC. 2. Section 11106 of the Penal Code is amended to read:

11106. In order to assist in the investigation of crime, the arrest and prosecution of criminals, and the recovery of lost, stolen, or found property, the Attorney General shall keep and properly file a complete record of all copies of fingerprints, copies of applications for licenses to carry concealed weapons, dealers' records of sales of deadly weapons, and reports of stolen, lost, found, pledged, or pawned property in any city or county of this state, and shall, upon proper application therefor, furnish to the officers mentioned in Section 11105, hard copy printouts of those records as photographic, photostatic, and nonerasable optically stored reproductions.

SEC. 3. Section 11106.1 is added to the Penal Code, to read:

11106.1. Any system of microphotography, optical disk, or reproduction by other techniques which do not permit additions, deletions, or changes to the original document, may be used by the Department of Justice as a photographic reproduction process to record some or all instruments, papers, and notices that are required or permitted by law to be recorded or filed. All storage medium shall comply with minimum standards of quality approved by the National Institute of Standards and Technology.

SEC. 4. Section 11106.2 is added to the Penal Code, to read:

11106.2. Any criminal justice agency may cause any or all files or records in its official custody to be microphotographed or otherwise reproduced pursuant to Section 11106.1, as in the case of original filings or recordings, or both. Every reproduction shall be deemed and considered an original, and as a transcript, exemplification or certified copy, as the case may be, of the original.

SEC. 5. Section 13103 is added to the Penal Code, to read:

13103. Notwithstanding any other provisions of law relating to retention of public records, any criminal justice agency may cause the original records filed pursuant to this chapter to be destroyed if all of the following requirements are met:

(a) The records have been reproduced onto microfilm or optical disk, or by any other techniques which do not permit additions, deletions, or changes to the original document.

(b) If the records have been reproduced onto optical disk, at least one year has elapsed since the date of registration of the records.

(c) The nonerasable storage medium used meets the minimum standards recommended by the National Institute of Standards and Technology for permanent record purposes.

(d) Adequate provisions are made to ensure that the nonerasable storage medium reflects additions or corrections to the records.

(e) A copy of the nonerasable storage medium is maintained in a manner which permits it to be used for all purposes served by the original record.

(f) A copy of the nonerasable storage medium has been stored at a separate physical location in a place and manner which will reasonably assure its preservation indefinitely against loss or destruction.

SEC. 6. Section 13104 is added to the Penal Code, to read:

13104. Any certified reproduction of any record stored on a nonerasable storage medium under the provisions of this chapter shall be deemed to be a certification of the original record.

CHAPTER 258

An act to amend Section 25190 of the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25190 of the Health and Safety Code is amended to read:

25190. Except as otherwise provided in Sections 25189.5, 25189.6,

25189.7, 25191, and 25195, any person who violates any provision of this chapter, or any permit, rule, regulation, standard, or requirement issued or adopted pursuant to this chapter, is, upon conviction, guilty of a misdemeanor.

If the conviction is for a second or subsequent violation, the person shall, upon conviction, be punished by imprisonment in the county jail for not more than one year or by imprisonment in the state prison for 16, 20, or 24 months. The court shall also impose upon the person a fine of not less than five thousand dollars ($5,000) or more than twenty-five thousand dollars ($25,000).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the need to correct and clarify existing provisions imposing penalties for the mismanagement of hazardous waste, thereby protecting public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 259

An act to amend Sections 5102, 5161, 5195, and 5257 of, to add Section 5191 to, and to repeal Sections 5191 and 5192 of, the Public Utilities Code, relating to carriers.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 5102 of the Public Utilities Code is amended to read:

5102. The use of the public highways for the transportation of used household goods and personal effects, office, store, and institution furniture and fixtures for compensation is a business affected with a public interest. It is the purpose of this chapter to preserve for the public the full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon such highways; to secure to the people just, reasonable and nondiscriminatory rates for transportation by carriers operating upon the highways; and to secure full and unrestricted flow of traffic by motor carriers over the highways which will adequately meet reasonable public demands by providing for the regulation of rates of all carriers so that adequate and dependable service by all necessary carriers shall be maintained and the full use of the highways preserved to the public.

SEC. 2. Section 5161 of the Public Utilities Code is amended to read:

5161. (a) The commission, in granting permits pursuant to this chapter, shall require the household goods carrier to procure, and continue in effect during the life of the permit, adequate protection against liability imposed by law upon carriers for the payment of damages for personal bodily injuries, including death resulting therefrom, and property damage in the following amounts:

(1) Not less than two hundred fifty thousand dollars ($250,000) on account of bodily injuries to or death of one person.

(2) Not less than five hundred thousand dollars ($500,000) on account of bodily injuries to or death of more than one person as a result of any one accident. The recovery of each person is subject to the limitation contained in subdivision (a).

(3) Not less than one hundred thousand dollars ($100,000) for one accident resulting in damage to or destruction of property, other than property being transported by the carrier for any shipper or consignee, whether it is the property of one or more than one claimant.

(4) Not less than six hundred thousand dollars ($600,000) on account of bodily injuries to, or death of, one or more persons and damage to or destruction of property, other than property being transported by the carrier for any shipper or consignee, whether it is the property of one or more than one claimant, in any one accident.

(b) The commission may increase the minimum level of public liability and property damage protection required by this section if necessary to provide adequate protection.

(c) The commission shall require all household goods carriers to procure and continue in effect during the life of the permit cargo insurance in the amount of twenty thousand dollars ($20,000). However, upon a showing before the commission by a household goods carrier that a lesser amount of cargo insurance adequately protects the public, and a finding by the commission to that effect, the commission may authorize the carrier to procure and continue in effect during the life of the permit the lesser amount of insurance.

SEC. 3. Section 5191 of the Public Utilities Code is repealed.

SEC. 4. Section 5191 is added to the Public Utilities Code, to read:

5191. The commission shall establish or approve just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates to be charged by household goods carriers for the transportation of property subject to this chapter and for accessorial service performed in connection therewith.

In establishing or approving rates, the commission shall account for the cost of all transportation service performed or to be performed, for any accessorial service performed or to be performed in connection therewith, the value of the commodity transported, and the value of the equipment, facilities, and personnel reasonably necessary to perform the service.

The commission shall establish or approve no minimum rate for household goods carriers unless it finds that the rate is at a sufficient

level to allow safe operation upon the highways of the state and accounts for the cost of trained drivers and other reasonable expense of operation of household goods carriers.

SEC. 5. Section 5192 of the Public Utilities Code is repealed.

SEC. 6. Section 5195 of the Public Utilities Code is amended to read:

5195. If any household goods carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum established rates, the commission shall, upon finding that the proposed rate is reasonable and in conformity with Section 5191, authorize the lesser rate for not more than one year.

SEC. 7. Section 5257 of the Public Utilities Code is amended to read:

5257. Any interim, interlocutory, or other order may be reviewed as provided in Sections 1756 to 1766, inclusive. Upon review, only that portion of the record in the proceeding considered by the commission and upon which it acted in making the order sought to be reviewed, need be certified to and considered by the Supreme Court.

CHAPTER 260

An act making an appropriation for the payment of judgments and settlements against the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The sum of four hundred twelve thousand six hundred twelve dollars and ninety cents ($412,612.90) is hereby appropriated from the General Fund to the Secretary of the State Board of Control to pay judgments and settlements of claims accepted by the State Board of Control.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay judgments and settlements of claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 261

An act to amend Section 4019 of the Insurance Code, relating to insurance.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 4019 of the Insurance Code is amended to read:

4019. This chapter does not apply to a mutual insurer which has converted to a mutual legal reserve insurer pursuant to former Chapter 9 (commencing with Section 10810) of Part 2 of Division 2 of this code. Except for Section 4016.2, this chapter does not apply to a mutual insurer which has completed proceedings for voluntary mutualization pursuant to Chapter 13 (commencing with Section 11525) of Part 2 of this division.

CHAPTER 262

An act to amend Section 68081 of the Government Code, relating to courts.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 68081 of the Government Code is amended to read:

68081. Before the Supreme Court, a court of appeal, or the appellate department of a superior court renders a decision in a proceeding other than a summary denial of a petition for an extraordinary writ, based upon an issue which was not proposed or briefed by any party to the proceeding, the court shall afford the parties an opportunity to present their views on the matter through supplemental briefing. If the court fails to afford that opportunity, a rehearing shall be ordered upon timely petition of any party.

CHAPTER 263

An act to amend Section 706.022 of the Code of Civil Procedure, relating to garnishment

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 706.022 of the Code of Civil Procedure is amended to read:

706.022. (a) As used in this section, "withholding period" means the period which commences on the 10th day after service of an earnings withholding order upon the employer and which continues until the earliest of the following dates:

(1) The date the employer has withheld the full amount specified in the order.

(2) The date of termination specified in a court order served on the employer.

(3) The date of termination specified in a notice of termination served on the employer by the levying officer.

(b) Except as otherwise provided by statute, an employer shall withhold the amounts required by an earnings withholding order from all earnings of the employee payable for any pay period of the employee which ends during the withholding period.

(c) An employer is not liable for any amounts withheld and paid over to the levying officer pursuant to an earnings withholding order prior to service upon the employer pursuant to paragraph (2) or (3) of subdivision (a).

CHAPTER 264

An act to amend Section 18643 of, and to add Section 18642.5 and 18654 to, the Business and Professions Code, relating to boxing.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18642.5 is added to the Business and Professions Code, to read:

18642.5. A professional boxer or martial arts fighter shall, prior to licensure by the commission, demonstrate his or her ability to perform. If at any time a licensed boxer of fighter's ability to perform is questionable the commission shall revalidate the licensee using standards adopted in regulation by the commission.

The commission may accept whatever evidence is available to demonstrate the "ability to perform" at the initial time of licensure. However, all commission evaluations or reevaluations shall be recorded on a form approved by the commission and maintained with the fighter's licensing file.

The evaluation or reevaluation may be used by the commission when approving bouts for not more than 120 days from the date of the evaluation.

SEC. 2. Section 18643 of the Business and Professions Code is amended to read:

18643. (a) No professional boxer shall spar for training purposes with any person not licensed as a professional boxer or who does not have a sparring permit, nor shall any person licensed under this chapter conduct, hold, or permit any such sparring.

(b) The commission shall issue a permit to spar with professional boxers for training purposes. Such permit shall be issued only to persons who meet the physical and mental requirements for licensure as a professional boxer.

(c) The operator of a professional boxers' training gymnasium shall inspect and log daily on a form approved by the commission the professional boxing license or sparring permit of any individual who wishes to use the gymnasium for sparring or boxing and no person shall do so unless that person has a valid and current license or permit.

SEC. 3. Section 18654 is added to the Business and Professions Code, to read:

18654. Failure of a licensed training gymnasium owner or operator, fighter, boxer, trainer, second, or manager to report to the commission an injury or knockout of a licensed boxer or fighter or the holder of a sparring permit shall be grounds for the suspension of their license pursuant to this chapter.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 265

An act to amend Section 8574.8 of the Government Code, and to amend Section 2454 of the Vehicle Code, relating to hazardous substances.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 8574.8 of the Government Code is amended to read:

8574.8. (a) A state toxic disaster contingency plan established pursuant to this article shall provide for an integrated and effective state procedure to respond to the occurrence of toxic disasters within the state. The plan shall provide for specified state agencies to implement the plan, for interagency coordination of the training conducted by state agencies pursuant to the plan, and for on-scene coordination of response actions.

Notwithstanding any provision of the plan, the authority for the management of the scene of an on-highway toxic spill or disaster shall be vested in the appropriate law enforcement agency having primary traffic investigative authority on the highway where the incident occurs or in a local fire protection agency as provided by Section 2454 of the Vehicle Code. During the preparation of the toxic disaster contingency plan, the Office of Emergency Services shall adopt the recommendations of the Department of the California Highway Patrol in developing response and on-scene procedures for toxic disasters which occur upon the highways, based upon previous studies for such procedures, insofar as the procedures are not inconsistent with the overall plan for initial notification of toxic disasters by public agencies and for after-incident evaluation and reporting.

(b) The Office of Emergency Services shall establish a central notification and reporting system to facilitate operation of the state toxic disaster response procedures designated by the toxic disaster contingency plan.

SEC. 2. Section 2454 of the Vehicle Code is amended to read:

2454. (a) The authority for the management of the scene of an on-highway hazardous substance spill or disaster shall be vested in the appropriate law enforcement agency having primary traffic investigative authority on the highway where the spill or disaster occurs. Responsibility for managing the scene of an on-highway hazardous substance spill or disaster shall continue until all emergency operations at the scene have been completed and order has been restored.

(b) Notwithstanding subdivision (a), the local governing body of a city, whether general law or chartered, which has jurisdiction over

the location where a on-highway hazardous substance spill or disaster occurs may assign the authority for management of the scene of an on-highway hazardous substance spill or disaster on local streets and roads, other than freeways, to either the local law enforcement agency or the local fire protection agency. However, the Department of the California Highway Patrol is responsible for the management of the scene of an on-highway hazardous substance spill or disaster on all highways where the department has primary traffic investigative authority. Any law enforcement agency having primary traffic investigative authority may enter into written agreements with other public agencies to facilitate management at the scene of an on-highway hazardous substance spill or disaster on local streets and roads other than freeways.

(b) For purposes of this section, "management of the scene of an on-highway hazardous substance spill or disaster" means coordination of operations which occur at the location of a hazardous substance spill or disaster. This coordinating function does not include how the specialized functions provided by the various other responding agencies are to be performed. The agency managing the scene of an on-highway hazardous spill or disaster shall consult with other response agencies at the scene to ensure that all appropriate resources are properly utilized. The agency managing the scene of an on-highway hazardous spill or disaster shall perform its coordinating function in a manner designed to minimize the risk of death or injury to other persons.

CHAPTER 266

An act relating to the Public Utilities Commission.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) It has been more than five years since the breakup of American Telephone and Telegraph Corporation which separated the providers of local and long-distance telephone service. Until recently, the Public Utilities Commission has continued to regulate the rates of American Telephone and Telegraph Corporation because it is the dominant long-distance service provider with a large majority of subscribers in the state.

(b) Recently, following proposals offered by American Telephone and Telegraph Corporation, the commission granted the long-distance company greater rate flexibility with the implementation of a "rate band" program. The commission also

established a new method of overseeing American Telephone and Telegraph Corporation, "monitoring," in order to "measure and assess the impact flexibility may have on American Telephone and Telegraph Corporation competition and customers of interLATA services in California."

(c) Because the "monitoring" of public utilities is a new process and a significant departure from established forms of commission regulation, the Legislature finds that it should be kept informed of the progress of the monitoring program, and how successful commission monitoring is in determining trends of competitiveness in the long-distance telephone market.

SEC. 2. (a) The Public Utilities Commission shall report to the Legislature by December 1, 1990, and submit a final report by December 1, 1991, on the results of its monitoring program to measure and assess the impact which regulatory flexibility may have on the competitors and customers of American Telephone and Telegraph Corporation. The report shall include both exhibits and attachments to the monitoring plan report, together with an explanation of the exhibits and attachments.

(b) The report shall list the persons or groups responsible for performing the monitoring, and shall describe their specific role.

(c) The report shall reach conclusions on the effectiveness of the monitoring system to measure competitiveness in the long-distance market.

(d) The report shall describe the impact regulatory flexibility has had on the rates and services of long-distance customers within the state, and how the competitors of American Telephone and Telegraph Corporation are affected by regulatory flexibility.

CHAPTER 267

An act to amend Section 79020 of the Education Code, relating to education.

[Approved by Governor August 2 1989 Filed with Secretary of State August 2, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 79020 of the Education Code is amended to read:

79020. Except as otherwise provided the community colleges shall continue in session or close on specified holidays as follows:

(a) The community colleges shall close on January 1st, the third Monday in January, commencing in the 1989–90 fiscal year, known as "Dr. Martin Luther King, Jr. Day," February 12th known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial

Day," July 4th, the first Monday in September known as "Labor Day," November 11th known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," and December 25th.

(b) Any contractual provision between any community college district and its employees in effect on the effective date of the act that adds this subdivision shall prevail over any conflict regarding Dr. Martin Luther King, Jr. Day until the termination date of the contract or upon termination by mutual agreement of the parties, whichever occurs first.

(c) The Governor in appointing any other day for a public fast, thanksgiving, or holiday may provide whether the community colleges shall close on the day. If the Governor does not provide whether the community colleges shall close, they shall continue in session on all special or limited holidays appointed by the Governor, but shall close on all other days appointed by the Governor for a public fast, thanksgiving, or holiday.

(d) The community colleges shall close on every day appointed by the President as a public fast, thanksgiving, or holiday, unless it is a special or limited holiday.

(e) The community colleges shall continue in session on all legal holidays other than those designated by or pursuant to this section, or Section 79022, and shall hold proper exercises commemorating the day.

(f) When any of the holidays on which the schools would be closed fall on Sunday, the community colleges shall close on the Monday following, except that (1) if Lincoln Day falls on a Sunday, the community colleges may observe this holiday on the preceding or following Friday, the following Monday, or the following Tuesday, and maintain classes on the date specified in subdivision (a) where applicable, or (2) if Lincoln Day falls on a Monday, the community colleges may observe this holiday on the preceding or following Friday, that Monday, or the following Tuesday, and maintain classes on the date specified in subdivision (a) where applicable.

(g) When any of the holidays on which the schools would be closed, except Lincoln Day, fall on Saturday, the community colleges shall close on the preceding Friday, and that Friday shall be declared a state holiday.

(h) If any holiday on which the community colleges are required to close pursuant to subdivision (a) occurs under federal law on a date different than the date specified in subdivision (a), the governing board of any community college district may close the community colleges of the district on the date recognized by federal law and maintain classes on the date specified in subdivision (a).

(i) When Veterans Day would fall on Tuesday, the governing board of a community college district may close the colleges on the preceding Monday, and maintain classes on the date specified in subdivision (a). When Veterans Day would fall on Wednesday, the governing board of a community college district may close the

colleges on either the preceding Monday or the following Friday, and maintain classes on the date specified in subdivision (a). When Veterans Day would fall on Thursday, the governing board of a community college district may close the colleges on the following Friday, and maintain classes on the date specified in subdivision (a).

(j) When Lincoln Day would fall on Tuesday, the governing board of a community college district may close the colleges on the preceding Monday, the preceding Friday, or the following Friday, and maintain classes on the date specified in subdivision (a) where appropriate. When Lincoln Day would fall on Wednesday, the governing board of a community college district may close the colleges on the preceding Monday, the preceding Friday, or the following Friday, and maintain classes on the date specified in subdivision (a). When Lincoln Day would fall on Thursday, the governing board of a community college district may close the colleges on the preceding Friday or the following Friday, and maintain classes on the date specified in subdivision (a). When Lincoln Day falls on Saturday, the governing board of a community college district may close the colleges on the preceding Friday or the following Friday, and maintain classes on the date specified in subdivision (a) where appropriate.

(k) Nothing in this section is to be interpreted as authorizing a community college district governing board to maintain community colleges in its district for a lesser number of days during the college year than the minimum established by law.

CHAPTER 268

An act to add Section 50933 to the Water Code, relating to reclamation districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 1989. Filed with Secretary of State August 2, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 50933 is added to the Water Code, to read:

50933. A district may construct, maintain, and operate ferry boats, bridges, road systems, and related facilities to provide access to the district's levee, drainage, and irrigation systems, and to provide access to the lands within the district.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that essential ferry boat operations are continued to permit access to reclamation district lands and related

facilities, it is necessary that this act take effect immediately.

CHAPTER 269

An act to amend Sections 25174, 25174.6, 25174.7, 25174.11, 25205.2, 25205.3, 25205.4, 25205.5, 25323, 25334, 25342, 25345, 25358.3, 25359.5, 25360, and 25395 of, to add Sections 25122.8, 25160.5, 25174.1, 25174.2, 25174.3, 25205.7, 25313.5, 25314, 25317.5, 25318, 25318.5, 25319.5, 25322.1, 25322.2, 25326.6, 25347.6, and 25347.7 to, to repeal Sections 25174.02 and 25347 of, and to repeal and add Sections 25205.6, 25205.8, and 25347.2 of, the Health and Safety Code, to amend Sections 43002.3, 43012, 43051, 43053, 43101, and 43152 of, and to add Sections 43152.9 and 43152.10 to, the Revenue and Taxation Code, to add Chapter 5.6 (commencing with Section 13390) to Division 7 of the Water Code, and to amend and supplement the Budget Act of 1989 by amending Items 4260-011-014 and 4260-011-455 of, and adding Item 4260-012-001 to, Section 2.00 thereof, relating to the environment, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 1989 Filed with Secretary of State August 3, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25122.8 is added to the Health and Safety Code, to read:

25122.8. "State operational costs" means the costs to the state of overseeing removal and remedial action, as defined in Sections 25322 and 25323, to releases of hazardous substances, as defined in Sections 25316 and 25320, if the responsible party is in compliance with an order issued, or with an enforceable agreement entered into, pursuant to paragraph (1) of subdivision (a) of Section 25355.5. "State operational costs" include, but are not limited to, the expenditure of funds pursuant to subdivision (c) or (d) of Section 25355.5.

SEC. 2. Section 25160.5 is added to the Health and Safety Code, to read:

25160.5. If any producer required to send a copy of a manifest to the department submits an improperly completed manifest, and the department returns the manifest to the person who completed the manifest, the producer shall submit a fee of twenty dollars ($20) to the department to accompany the resubmitted manifest. The department shall deposit the fees collected pursuant to this section into the Hazardous Waste Control Account, for expenditure by the department, upon appropriation by the Legislature, pursuant to Section 25174.

SEC. 3. Section 25174 of the Health and Safety Code is amended

to read:

25174. (a) There is in the General Fund a Hazardous Waste Control Account which shall be administered by the director. In addition to any other moneys transferred by the Legislature to the Hazardous Waste Control Account, all of the following amounts shall be deposited in the account:

(1) The fees collected pursuant to Sections 25205.2, 25205.5, 25205.6, 25205.7, and 25205.8.

(2) The amount collected pursuant to Section 43100 of the Revenue and Taxation Code.

(3) The amount of fees collected pursuant to Section 2560 of the Vehicle Code, as allocated by Section 25168.6.

(4) Any interest earned upon the money deposited in the Hazardous Waste Control Account.

(5) Any moneys received from the federal government pursuant to the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6901 et seq.).

(6) Any fines or penalties collected pursuant to this chapter.

(b) The funds deposited in the Hazardous Waste Control Account may be expended by the department, upon appropriation by the Legislature, for the following purposes:

(1) The administration of this chapter by the department and state operational costs.

(2) To the State Board of Equalization to pay refunds of fees collected pursuant to Sections 43051 and 43053 of the Revenue and Taxation Code.

(3) The costs of environmental epidemiology and health effects studies related to toxic substances, including extremely hazardous waste, as defined in Section 25115, and hazardous waste, as defined in Section 25117.

(4) The support of the Toxic Substance Enforcement Program in the Office of the Attorney General.

(5) The costs incurred in the administration of Section 13227 of the Water Code and costs incurred as a result of inspection of underground storage tanks and related enforcement costs pursuant to Section 13301 of the Water Code. It is the intent of the Legislature that funds be annually appropriated in the Budget Act from the Hazardous Waste Control Account to the State Water Resources Control Board for all costs incurred by the board in administering Sections 13227 and 13301 of the Water Code.

(6) The costs of water monitoring pursuant to Section 4026.1.

(7) To the Office of Emergency Services for the support of the state's program to implement the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Sec. 11001 et seq.). It is the intent of the Legislature that the funds be annually appropriated in the Budget Act from the Hazardous Waste Control Account to the Office of Emergency Services for the costs incurred by the office in the implementation of the Emergency Planning and Community Right-to-Know Act of 1986.

SEC. 4. Section 25174.02 of the Health and Safety Code is repealed.

SEC. 5. Section 25174.1 is added to the Health and Safety Code, to read:

25174.1. (a) Each person who disposes of hazardous wastes onsite, who annually submits more than 500 pounds of hazardous waste for disposal offsite, or who submits hazardous waste for disposal outside of this state, shall pay a fee directly to the State Board of Equalization for disposal of those wastes. For purposes of this chapter, the fee imposed by this section shall be known as the disposal fee.

(b) Each operator at any facility, including, but not limited to, all Class II and Class III landfills, as defined in Sections 2532 and 2533 of Title 23 of the California Code of Regulations, at which hazardous wastes are disposed shall pay a fee directly to the State Board of Equalization for disposal of those wastes, except that the site operator is not required to pay the fee for a hazardous waste if the person submitting the waste for disposal provides the operator with a properly completed manifest for that waste which includes that person's Hazardous Waste Tax Account number, as assigned by the State Board of Equalization, and the site operator submits a copy of the manifest to the State Board of Equalization in the time and manner as it may prescribe.

(c) The State Board of Equalization shall deposit the fees collected pursuant to this section in the Hazardous Substance Account in the General Fund.

SEC. 6. Section 25174.2 is added to the Health and Safety Code, to read:

25174.2. (a) The State Board of Equalization shall set the base rate for the hazardous wastes specified in Section 25174.6 which are disposed of onsite, submitted for disposal offsite, or submitted for transport to a point outside of this state, on and after July 1, 1989, at fifty-two dollars and fifty cents ($52.50) per ton.

(b) The base rate specified in subdivision (a) shall apply to persons subject to the fee specified in Section 25174.1. Beginning in fiscal year 1994-95, this base rate is the base rate for the 1989–90 fiscal year and the State Board of Equalization shall adjust the base rate annually to reflect increases or decreases in the cost of living, as measured by the Consumer Price Index issued by the United States Department of Labor or a successor agency of the federal government. Within 30 days after the enactment of the annual Budget Act, the State Board of Equalization shall send a notice of the adjusted fee rate to every person subject to the fee specified in Section 25174.1.

SEC. 7. Section 25174.3 is added to the Health and Safety Code, to read:

25174.3. Any surplus in the Hazardous Waste Control Account which exceeds 5 percent of the amount appropriated from the account in the previous fiscal year shall be transferred to the

Hazardous Substance Account, and shall be available for expenditure, upon appropriation by the Legislature, pursuant to Section 25351.

SEC. 8. Section 25174.6 of the Health and Safety Code is amended to read:

25174.6. (a) The fee provided pursuant to Section 25174.1 to be paid by persons disposing of hazardous waste onsite, or submitting hazardous waste for disposal offsite, and by operators of hazardous waste disposal facilities, for each ton, or fraction thereof, of hazardous waste disposed of on land or applied to land on or after July 1, 1986, shall be determined as a percentage of the base rate, as adjusted by the State Board of Equalization, pursuant to Section 25174.2. The percentages of the base rate for determining these fees are as follows.

(1) Twenty-five percent of the base rate for each ton, or fraction thereof for up to the first 5,000 tons of hazardous waste disposed of, or submitted for offsite disposal, at each specific facility by each producer or at each specific onsite facility, per month, which is not subject to Subchapter III (commencing with Section 6921) of Chapter 82 of Title 42 of the United States Code, pursuant to subsection (b) of Section 6921 of Title 42 of the United States Code and which is not otherwise subject to the fee specified in paragraph (3) or (4), or hazardous waste for which the Administrator of the Environmental Protection Agency has determined that regulation is unwarranted, as specified in subparagraph (C) of paragraph (2) of, and subparagraph (C) of paragraph (3) of, subsection (b) of Section 6921 of Title 42 of the United States Code and which is not otherwise subject to the fee specified in paragraph (3) or (4).

(2) Twenty-five percent of the base rate for each ton, or fraction thereof, for up to the first 5,000 tons of hazardous waste disposed of, or submitted for offsite disposal, at each specific facility by each producer or at each specific onsite facility, per month, which result from the extraction, beneficiation, and processing of ores and minerals, including phosphate rock and the overburden from the mining of uranium ore and which is not otherwise subject to the fee specified in paragraph (3) or (4).

(3) Two hundred percent of the base rate for each ton, or fraction thereof, of extremely hazardous waste.

(4) Two hundred percent of the base rate for each ton, or fraction thereof, of restricted hazardous wastes listed in Section 66900 of Title 22 of the California Code of Regulations.

(5) One hundred percent of the base rate for each ton, or fraction thereof, of hazardous waste disposed of, or submitted for offsite disposal, which is not otherwise subject to the fees specified in paragraph (1), (2), (3), or (4) of this subdivision.

(6) For each ton, or fraction thereof, of hazardous waste generated in this state which is disposed of, or submitted for disposal, outside the state. The rate shall be as follows:

(A) Thirty-five percent of the base rate for the 1989–90 fiscal year.

(B) Forty percent of the base rate for the 1990–91 fiscal year.

(C) After the 1990–91 fiscal year, the rate shall be forty-five percent of the base rate if a new hazardous waste disposal facility is permitted pursuant to Section 25200. If no new facility is permitted the base rate shall be forty percent.

(7) Five percent of the base rate for each ton, or fraction thereof, of hazardous waste disposed of, or submitted for disposal, in the state that is a solid hazardous waste residue resulting from incineration or by any treatment method which results in free liquid removal, removal of volatile organic constituents, and a minimum waste volume reduction of 50 percent, and which has been approved by the department pursuant to Section 25179.6.

(b) The amount of fees payable to the State Board of Equalization pursuant to this section shall be calculated using the total wet weight, measured in tons or fractions thereof, of the hazardous waste in the form in which the hazardous waste existed at the time of disposal, submission for disposal, or application to land using the land disposal methods defined in Section 66122 of Title 22 of the California Code of Regulations.

(c) Notwithstanding subdivision (a), the fee rate for hazardous waste disposed of, or submitted for offsite disposal, into a surface impoundment which is double lined, meets the criteria specified in paragraph (1), and for which a report has not been submitted pursuant to paragraph (2), is 10 percent of the base rate for each ton, or fraction thereof, of hazardous waste so disposed of or submitted for disposal. The owner or operator of the surface impoundment shall certify to the State Board of Equalization that the requirements of paragraph (1) have been met before the fee rate specified in this subdivision may be applied to the hazardous waste disposed of, or submitted for disposal, into the surface impoundment.

(1) This subdivision applies only to hazardous waste disposed of, or submitted for disposal, into a surface impoundment which meets all the following criteria:

(A) The surface impoundment is double lined and is equipped with a leachate collection system which is in place and in operation, and complies with existing federal and state regulations and guidance documents published by the Environmental Protection Agency prior to July 1, 1984.

(B) The surface impoundment has in place and in operation a minimum of one upgradient and two downgradient monitoring wells capable of identifying the migration of any hazardous waste constituents disposed of into the surface impoundment.

(C) The surface impoundment has in place and in operation a vadose zone monitoring system capable of identifying the migration of any hazardous waste constituents disposed of into the surface impoundment from the impoundment into the zone between the surface and the water table.

(D) The surface impoundment has an enforceable site closure plan which initiates closure of the impoundment within 12 years after the surface impoundment is certified pursuant to this

subdivision. This plan shall require the surface impoundment, and any surrounding soils contaminated by the impoundment, to be returned to a nonhazardous condition within five years of initiating closure.

(E) The owner or operator has submitted to the department and to the California regional water quality control board documentation demonstrating full compliance with subparagraphs (A), (B), (C), and (D).

(2) Upon discovering that, or receiving notification that, a surface impoundment certified for the fee rate specified in this subdivision has leaked or overflowed, and that there is migration into the vadose zone or into the waters of the state, the owner or operator of the surface impoundment shall report the migration to the department and the California regional water quality control board within 24 hours after the migration or unauthorized release has been detected. The owner or operator shall transmit a full written report to the department and the regional board within five working days after the detection of the migration. The reporting requirements imposed by this paragraph are in addition to any requirements which may be imposed by Section 13271 of the Water Code. Unless the regional board, or its executive officer, determines that the presence of the hazardous waste constituents in the migration do not pose any short-term or long-term, present or potential, hazards to human health or the environment, the regional board shall issue a cease and desist order pursuant to Section 13301 of the Water Code prohibiting any discharge into the surface impoundment and shall take any other actions which are necessary.

(3) After a surface impoundment has been the subject of a report specified in paragraph (2), the fee rate specified in this subdivision for hazardous waste disposed of, or submitted for disposal, into that surface impoundment shall not apply and the fees shall be calculated pursuant to subdivision (a). The fee rate specified in this subdivision may again be applied to the hazardous waste disposed of, or submitted for disposal, into the surface impoundment only after the department and the California regional water quality control board determines that hazardous constituents are no longer migrating from the surface impoundment, and that there is no significant potential for them to migrate from the surface impoundment into the vadose zone or into the waters of the state, so that the presence of the hazardous constituents poses, or would pose, a present or potential hazard to human health or the environment.

(4) Hazardous waste, as used in this subdivision, includes restricted hazardous waste.

(d) All fees imposed by this section shall be paid in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code.

SEC. 9. Section 25174.7 of the Health and Safety Code is amended to read:

25174.7. (a) The fees provided for in Sections 25174.1, 25174.6,

and 25205.5 do not apply to any of the following:

(1) Hazardous wastes which result when a state or local agency, or its contractor, removes or remedies a release of hazardous waste caused by another person. This paragraph applies to all acts performed by a state or local agency, or its contractor, on or after July 1, 1984.

(2) Hazardous wastes generated or disposed of by state or local agencies operating a household hazardous waste collection program.

(3) Hazardous wastes generated or disposed of by local vector control agencies which have entered into a cooperative agreement pursuant to Section 2426 or by county agricultural commissioners, if the hazardous wastes result from their control or regulatory activities and if they comply with the requirements of this chapter and regulations adopted pursuant thereto.

(b) This section does not prevent the department from recovering an amount equal to the full cost of the fees specified in Sections 25174.1 and 25174.6 from any person responsible for a release of hazardous waste which has been removed or remedied by a state or local agency, or its contractor. This section does not limit the department's remedies pursuant to any other provision of law.

SEC. 10. Section 25174.11 of the Health and Safety Code is amended to read:

25174.11. Section 25174.1 does not apply to the previous disposal of mining waste that is subsequently classified as nonhazardous pursuant to the department's California Assessment Manual criteria regulations set forth in Article 2 (commencing with Section 66300) of Chapter 30 of Division 4 of Title 22 of the California Administrative Code, which became effective October 27, 1984, and disposal fees shall not be assessed pursuant to Section 25174.1 for that waste if the waste previously disposed of is not significantly different from the waste classified as nonhazardous.

SEC. 11. Section 25205.2 of the Health and Safety Code is amended to read:

25205.2. (a) Except as provided in subdivision (c), in addition to the fees specified in Section 25174.1, each operator of a facility shall pay a facility fee for each state fiscal year, or any portion thereof, to the board based on the size and type of the facility, as specified in Section 25205.4. The department shall notify the board of all known facility operators by facility type and size at the time it establishes the facility fees pursuant to Section 25205.3. The department shall also notify the board of any operator issued a permit or grant of interim status within 30 days after a permit or grant of interim status is issued to the operator.

(b) The board shall deposit all fees collected pursuant to subdivision (a) in the Hazardous Waste Control Account in the General Fund. The fees so deposited may be expended by the department, upon appropriation by the Legislature, for the purposes specified in subdivision (b) of Section 25174.

(c) Notwithstanding subdivision (a), a person who is issued a

variance by the department from the requirement of obtaining a hazardous waste facilities permit or grant of interim status, or a person who is in a closure period approved by the department pursuant to Article 9 (commencing with Section 25200) and Article 12 (commencing with Section 25245), is not subject to the fee, for any fiscal year following the fiscal year in which the variance or closure was granted or approved by the department.

SEC. 12. Section 25205.3 of the Health and Safety Code is amended to read:

25205.3. The board shall establish the facility fees specified in Section 25205.2 in accordance with Section 25205.4 within 30 days after the effective date of the enactment of the annual Budget Act. Within 30 days of the establishment of the fees, the board shall send a notice of the fees to every person subject to the fee.

SEC. 13. Section 25205.4 of the Health and Safety Code is amended to read:

25205.4. (a) The base rate for the facility fee imposed by Section 25205.2 is twenty thousand dollars ($20,000). This base rate is the base rate for the 1989–90 fiscal year and the board shall adjust the base rate annually to reflect increases or decreases in the cost of living measured by the Consumer Price Index issued by the United States Department of Labor or by a successor agency of the federal government.

(b) The determination of the facility fee pursuant to this section, including the redetermination of the base rate, is exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) In computing the facility fees, all of the following shall apply.

(1) The fee provided pursuant to Section 25205.2 to be paid by a mini storage facility shall equal 25 percent of the base facility rate.

(2) The fee provided pursuant to Section 25205.2 to be paid by a small storage facility shall equal the base facility rate.

(3) The fee charged a large storage facility shall equal twice the base facility rate.

(4) The fee charged a mini treatment facility shall equal 50 percent of the base facility rate.

(5) The fee charged a small treatment facility shall equal twice the base facility rate.

(6) The fee charged a large treatment facility shall equal three times the base facility rate.

(7) The fee charged a disposal facility shall equal 10 times the base facility rate.

(d) If a facility falls into more than one category listed in subdivision (c), or multiple operations under a single hazardous waste facility permit or grant of interim status fall into more than one category listed in subdivision (c), the facility operator shall pay only the rate for the facility category which is the highest rate.

(e) The fee imposed pursuant to this section shall be paid in accordance with Part 22 (commencing with Section 43001) of

Division 2 of the Revenue and Taxation Code.

SEC. 14. Section 25205.5 of the Health and Safety Code is amended to read:

25205.5. (a) In addition to the fee imposed pursuant to Section 25174.1, every generator of hazardous waste, in the amounts specified in subdivision (b), shall pay the board a fee for each generator site for each calendar year, or portion thereof. For purposes of this chapter, the fee imposed by this section shall be known as the generator fee.

(b) Within 30 days of the enactment of the annual Budget Act, the board shall establish the generator fee specified in subdivision (a), as adjusted pursuant to subdivision (c), to be paid by generators subject to this section. The base fee rate is two thousand four hundred dollars ($2,400).

(1) Each generator who generates an amount equal to, or more than, 5 tons, but less than 25 tons, of hazardous waste during the prior calendar year shall pay 5 percent of the base rate.

(2) Each generator who generates an amount equal to or more than 25 tons, but less than 50 tons, of hazardous waste during the prior calendar year shall pay 40 percent of the base rate.

(3) Each generator who generates an amount equal to, or more than, 50 tons, but less than 250 tons, of hazardous waste during the prior calendar year shall pay the base rate.

(4) Each generator who generates an amount equal to, or more than, 250 tons, but less than 500 tons, of hazardous waste during the prior calendar year shall pay five times the base rate.

(5) Each generator who generates an amount equal to, or more than, 500 tons, but less than 1,000 tons, of hazardous waste during the prior calendar year shall pay 10 times the base rate.

(6) Each generator who generates an amount equal to, or more than, 1,000 tons, but less than 2,000 tons, of hazardous waste during the prior calendar year shall pay 15 times the base rate.

(7) Each generator who generates an amount equal to, or more than, 2,000 tons of hazardous waste during the prior calendar year shall pay 20 times the base rate.

(c) The base rate established pursuant to subdivision (b) is the base rate for the 1989–90 fiscal year and the board shall adjust the base rate annually to reflect increases or decreases in the cost of living, as measured by the Consumer Price Index issued by the United States Department of Labor or by a successor agency of the federal government.

(d) The establishment of the annual operating fee pursuant to this section is exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) Any hazardous materials which are recycled, and used onsite, and are not transferred offsite, are not hazardous wastes for purposes of this section.

(f) The fee imposed pursuant to this section shall be paid in accordance with Part 22 (commencing with Section 43001) of

Division 2 of the Revenue and Taxation Code.

SEC. 15. Section 25205.6 of the Health and Safety Code is repealed.

SEC. 16. Section 25205.6 is added to the Health and Safety Code, to read:

25205.6. (a) On or before November 1 of each year, the board shall adopt a schedule of two digit SIC codes, as defined in subdivision (o) of Section 25501, as established by the United States Department of Commerce, that consists of corporations which use, generate, store, or conduct activities in this state related to hazardous materials, as defined in subdivision (j) of Section 25501, including, but not limited to, hazardous waste.

(b) Each corporation identified in the schedule adopted pursuant to subdivision (a) shall pay an annual fee, which shall be set at one hundred dollars ($100) for those corporations with 50 or more employees but less than 100 employees, five hundred dollars ($500) for corporations with 100 or more, but less than 500 employees, and one thousand dollars ($1,000) for corporations with 500 employees or more.

(c) The fee imposed pursuant to this section shall be paid by each corporation which is identified in the schedule adopted pursuant to subdivision (a) in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code and shall be deposited in the Hazardous Waste Control Account. The revenues shall be available, upon appropriation by the Legislature, to cover the costs of implementing this chapter.

(d) For purposes of this section, the number of employees employed by a corporation is the number of persons employed more than 500 hours during the previous calendar year.

SEC. 17. Section 25205.7 is added to the Health and Safety Code, to read:

25205.7. (a) The board shall assess a fee for any application for a new hazardous waste permit, an application for a hazardous waste facilities permit for a hazardous waste facility which would manage extremely hazardous waste, a variance, or a certification that a hazardous waste facility conforms with the requirements for a permit by regulation issued by the department pursuant to this chapter or the regulations adopted pursuant to this chapter. However, the board shall not assess a fee pursuant to this section for an application for a hazardous waste facilities permit for a hazardous waste facility which has been previously operating pursuant to a grant of interim status pursuant to Section 25200.5. The fee shall be nonrefundable, even if the application is withdrawn or the permit, variance, or certification is denied. The department shall provide the board with any information which is necessary to assess fees pursuant to this section. The fee shall be collected in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code, and deposited into the Hazardous Waste Control Account.

(b) The amounts stated in this section shall be base rates for the 1989–90 fiscal year. Thereafter the fees shall be adjusted annually to reflect increases or decreases in the cost of living, as measured by the Consumer Price Index for the United States, as reported by the Department of Labor or a successor agency of the United States government. The fee shall be assessed as of the date the application for the permit, variance, or certification was received by the department.

(c) A person submitting a hazardous waste facilities permit application for a land disposal facility shall pay eighty-three thousand dollars ($83,000) for a small facility, one hundred seventy-seven thousand dollars ($177,000) for a medium facility, and three hundred four thousand dollars ($304,000) for a large facility.

(d) A person submitting a hazardous waste facilities permit application for a storage facility, a treatment facility, or a storage and treatment facility shall pay seventeen thousand dollars ($17,000) for a small facility, thirty-one thousand dollars ($31,000) for a medium facility, and sixty thousand dollars ($60,000) for a large facility.

(e) A person submitting a hazardous waste facilities permit application for a transportable treatment unit shall pay thirteen thousand dollars ($13,000) for a small unit, thirty thousand dollars ($30,000) for a medium unit, and sixty thousand dollars ($60,000) for a large unit.

(f) A person submitting a request for a variance shall pay three thousand dollars ($3,000) for a variance from any hazardous waste storage requirements imposed by this chapter, three hundred dollars ($300) for a variance issued pursuant to Section 25179.8, three hundred dollars ($300) for a variance to allow the use of a test method or analytical method which is an alternative to the methods prescribed by regulation for use in classifying a waste eight hundred dollars ($800) for a variance from the requirements for hazardous waste haulers imposed by this chapter, and eight thousand dollars ($8,000) for all other variances. If the variance application requests a variance from more than one specific statute or regulation, a separate fee may be assessed for each statute or regulation.

(g) A person applying for a certification that a facility conforms with the requirements for a permit by regulation shall pay one thousand dollars ($1,000).

(h) A person applying for approval of an application to manage extremely hazardous waste shall pay two hundred dollars ($200), in addition to any other fee imposed by this section.

(i) For purposes of this section, and notwithstanding Section 25205.1, any facility or unit is "small" if it manages 0.5 tons (1,000 pounds) or less of hazardous waste during any one month of the state's current fiscal year, "medium" if it manages more than 0.5 tons (1,000 pounds), but less than 1,000 tons, of hazardous waste during any one month of the state's current fiscal year, and "large" if it manages 1,000 or more tons of hazardous waste during any one month of the state's current fiscal year.

(j) The fees assessed pursuant to this section do not apply to any permit or variance to operate a research, development, and demonstration facility, if the duration of the permit or variance is not longer than one year, unless the permit or variance is renewed pursuant to the regulations adopted by the department. For purposes of this section, a "research, development, and demonstration facility" is a facility which proposes to utilize an innovative and experimental hazardous waste treatment technology or process for which regulations prescribing permit standards have not been adopted.

SEC. 18. Section 25205.8 of the Health and Safety Code is repealed.

SEC. 19. Section 25205.8 is added to the Health and Safety Code, to read:

25205.8. (a) The board shall assess a fee of seven thousand five hundred dollars ($7,500) upon a person requesting the department to classify a waste as hazardous or nonhazardous. The department shall notify the board at the time the request for classification is made. The fee shall be assessed by the board for request pending at the time the act adding this section goes into effect. The department shall provide the board with any information which is necessary to assess fees pursuant to this section. The fee shall be collected in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code, and deposited into the Hazardous Waste Control Account.

(b) The amount stated in this section shall be a base rate for the 1989–90 fiscal year. Thereafter, the department shall adjust the base rate annually to reflect increases or decreases in the cost of living, as measured by the Department of Labor or a successor agency of the United States Government.

SEC. 20. Section 25313.5 is added to the Health and Safety Code, to read:

25313.5. "Extra-large site" means a hazardous substance release site which the department estimates will cost more than five million dollars ($5,000,000) for completion of a remedial investigation and a feasibility study and more than twenty million dollars ($20,000,000) for the full implementation of all removal and remedial actions, except operation and maintenance.

SEC. 21. Section 25314 is added to the Health and Safety Code, to read:

25314. "Feasibility study" means the identification and evaluation of technically feasible and effective remedial action alternatives to protect public health and the environment, at a hazardous substance release site, or other activities deemed necessary by the department for the development of a remedial action plan.

SEC. 22. Section 25317.5 is added to the Health and Safety Code, to read:

25317.5. "Large site" means a hazardous substance release site

which the department estimates will cost more than one million two hundred fifty thousand dollars ($1,250,000), but less than five million dollars ($5,000,000), for completion of a remedial investigation and a feasibility study and more than five million dollars ($5,000,000), but less than twenty million dollars ($20,000,000), for the full implementation of all removal and remedial actions, except operation and maintenance.

SEC. 23. Section 25318 is added to the Health and Safety Code, to read:

25318. "Medium site" means a hazardous substance release site which the department estimates will cost more than two hundred fifty thousand dollars ($250,000), but less than one million two hundred fifty thousand dollars ($1,250,000), for completion of a remedial investigation and a feasibility study and more than one million dollars ($1,000,000), but less than five million dollars ($5,000,000), for full implementation of all removal and remedial actions, except operation and maintenance.

SEC. 24. Section 25318.5 is added to the Health and Safety Code, to read:

25318.5. (a) "Operation and maintenance" means those activities initiated or continued following completion of a remedial or removal action that are deemed necessary by the department to protect the public health and environment and achieve or maintain the abatement goals established by the final remedial action plan.

(b) A "small operation and maintenance activity" means an activity or group of activities conducted at a site with an annual operation cost, exclusive of original construction cost, of less than five hundred thousand dollars ($500,000).

(c) A "medium operation and maintenance activity" means an activity or group of activities being conducted at a site with an annual operation cost, exclusive of original construction cost, of more than one million dollars ($1,000,000), but less than five million dollars ($5,000,000).

(d) An "extra-large operation and maintenance activity" means an activity or group of activities being conducted at a site with an annual operational cost, exclusive of original construction cost, of more than five million dollars ($5,000,000).

SEC. 25. Section 25319.5 is added to the Health and Safety Code, to read:

25319.5. "Preliminary endangerment assessment" means an activity which is performed to determine whether current or past waste management practices have resulted in the release or threatened release of hazardous substances which pose a threat to public health or the environment.

SEC. 26. Section 25322.1 is added to the Health and Safety Code, to read:

25322.1. "Remedial design" means the detailed engineering plan to implement the remedial action alternative or initial remedial measure approved by the department.

SEC. 27. Section 25322.2 is added to the Health and Safety Code, to read:

25322.2. "Remedial investigation" means those actions deemed necessary by the department to determine the full extent of a hazardous substance release at a site, identify the public health and environment threat posed by the release, collect data on possible remedies, and otherwise evaluate the site for purposes of developing a remedial action plan.

SEC. 28. Section 25323 of the Health and Safety Code is amended to read:

25323. (a) "Remove" or "removal" includes the cleanup or removal of released hazardous substances from the environment or the taking of other actions as may be necessary to prevent, minimize, or mitigate damage which may otherwise result from a release or threatened release, as further defined by Section 101(23) of the federal act (42 U.S.C. Sec. 9601 (23)).

(b) A "small removal action" means an action which the department estimates will cost less than five hundred thousand dollars ($500,000) for remedial design and implementation.

(c) A "medium removal action" means an action which the department estimates will cost more than five hundred thousand dollars ($500,000), but less than one million dollars ($1,000,000), for remedial design and implementation.

(d) A "large removal action" means an action which the department estimates will cost more than one million dollars ($1,000,000), but less than five million dollars ($5,000,000), for remedial design and implement.

(e) An "extra-large removal action" means an action which the department estimates will cost more than five million dollars ($5,000,000) for remedial design and implementation.

SEC. 29. Section 25326.6 is added to the Health and Safety Code, to read:

25326.6. "Small site" means a hazardous substance release site which the department estimates will cost less than two hundred fifty thousand dollars ($250,000) for completion of a remedial investigation and a feasibility study and less than one million dollars ($1,000,000) for full implementation of all removal and remedial actions, except operation and maintenance.

SEC. 30. Section 25334 of the Health and Safety Code is amended to read:

25334. There is within the state account, the Hazardous Substance Clearing Account, which shall be used to pay the principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385). Notwithstanding Section 25351, all of the following moneys shall be deposited in the Hazardous Substance Clearing Account for the payment of the principal of, and interest on, bonds:

(a) Transfers from the Superfund Bond Trust Fund made pursuant to Section 25385.8.

(b) Amounts received pursuant to Sections 25356.4 and 25360, as specified in those sections, if the expenditures for removal or remedial actions were paid from the proceeds of the bonds sold pursuant to Article 7.5 (commencing with Section 25385).

(c) Federal moneys received pursuant to the federal act which are designated to be used for removal or remedial actions paid for by proceeds from the bonds issued pursuant to Article 7.5 (commencing with Section 25385).

(d) Any moneys appropriated by the Legislature for the payment of the principal of, and interest on, these bonds.

SEC. 31. Section 25342 of the Health and Safety Code is amended to read:

25342. Every person who submitted for disposal offsite, or who disposed of onsite, more than 500 pounds of hazardous waste in the state during the preceding calendar year shall report to the board the following information on forms prescribed by the board:

(a) The total amount of hazardous waste, as defined by Section 25117, the federal regulation of which has been suspended under the Solid Waste Disposal Act (42 U.S.C. Sec. 6901 et seq.) by act of Congress, which that person has disposed of, or submitted for disposal, in the state, plus the total amount of hazardous waste, which that person has transferred to a surface impoundment in the state for purposes of reducing the water content of the waste and material by evaporation, plus the total amount of hazardous waste disposed of into an injection well or landfarm, as defined in subdivision (g) of Section 25345, exclusive of that waste specified in subdivisions (d) and (e).

(b) The total amount of hazardous waste disposed of, or submitted for disposal, in the state by that person, exclusive of that waste specified in subdivisions (a), (c), (d), and (e).

(c) The total amount of extremely hazardous waste disposed of, or submitted for disposal, in the state by that person, exclusive of that waste specified in subdivisions (a), (b), (d), and (e).

(d) The total amount of hazardous or extremely hazardous waste that person has disposed of, or submitted for disposal, in the state from the extraction, beneficiation, and processing of ores and minerals, including phosphate rock and overburden from mining of uranium ore.

(e) The total amount of hazardous waste that person has disposed of, or submitted for disposal, in the state that is a solid hazardous waste residue resulting from incineration.

SEC. 32. Section 25345 of the Health and Safety Code is amended to read:

25345. (a) There is hereby imposed a tax, payable annually, and to be collected by the board, upon each ton or fraction thereof, of waste and material specified in Section 25342, for which the base rate is fifty-two dollars and fifty cents ($52.50) per ton.

(b) Beginning with the 1994–95 fiscal year and each fiscal year thereafter, on or before May 1 of each year the board shall determine

the base tax rate for the current year, as adjusted. The base rate specified in subdivision (a) is for the 1989–90 fiscal year and the board shall adjust the base rate annually to reflect increases or decreases in the cost of living, as measured by the Consumer Price Index issued by the United States Department of Labor or by a successor agency of the United States Government.

(c) The tax imposed upon each person subject to Section 25342 shall be assessed according to the following formula:

$$\text{Tax} = (\text{base tax rate}) \times (0.15P_1 + P_2 + 2P_3 + 0.01P_4 + 0.05P_5)$$

where:

(1) "Base tax rate" equals the figure determined pursuant to subdivision (a).

(2) P_1 is the amount in tons of waste and material specified by the person pursuant to subdivision (a) of Section 25342.

(3) P_2 is the amount in tons of waste specified by the person pursuant to subdivision (b) of Section 25342.

(4) P_3 is the total amount in tons of waste specified by the person pursuant to subdivision (c) of Section 25342.

(5) P_4 is the total amount in tons of waste specified by the person pursuant to subdivision (d) of Section 25342.

(6) P_5 is the total amount in tons of waste specified by the person pursuant to subdivision (e) of Section 25342.

(d) The amount to be paid by a person for hazardous waste submitted for disposal out of the state shall be as follows:

(1) Thirty-five percent of the base rate for the 1989–90 fiscal year.

(2) Forty percent of the base rate for the 1990–91 fiscal year.

(3) After the 1990–91 fiscal year, the rate shall be forty-five percent of the base rate if a new hazardous waste disposal facility is permitted pursuant to Section 25200. If no new facility is permitted the base rate shall be forty percent.

(e) On or before July 1 of each year, each person subject to Section 25342 shall file an annual return and pay the proper amount of tax due. The tax under this chapter shall not be imposed again on hazardous waste or extremely hazardous waste if the waste, or any portion thereof, is removed subsequently to another place for disposal and if the person has paid the tax for the waste in accordance with this section before the removal thereof.

(f) Notwithstanding any other provision of this section, hazardous wastes disposed of into an injection well during the 1981 calendar year shall be subject to a tax rate that does not exceed 26.4 percent of the base tax rate, as determined in subdivision (a), as it read on January 1, 1984, per ton or fraction thereof.

(g) For purposes of this article, the following definitions apply:

(1) "Injection well" means a bored, drilled, or driven shaft, whose depth is greater than the largest surface dimension, and which is used to inject hazardous waste into an underground formation. Injection well does not mean any well located in class I or a class II–I

disposal site, as defined in Sections 2510 and 2511 of Title 23 of the California Administrative Code, on September 25, 1981.

(2) "Formation" means a body of rock characterized by a degree of lithologic homogeneity which is prevailingly, but not necessarily, tabular and is mappable on the earth's surface or traceable in the subsurface.

(3) "Landfarm" means a waste management technique, conducted within a hazardous waste facility which has received a hazardous waste facilities permit or has obtained interim status pursuant to Article 9 (commencing with Section 25200) of Chapter 6.5, or pursuant to Section 6925 of Title 42 of the United States Code. This waste management technique consists of applying oily wastes, biodegradable wastes, or both wastes onto land and incorporating them into the surface of the soil and, by controlling critical parameters of alkalinity and acidity, moisture content, and soil texture, enhancing the aerobic biodegradation of the waste into carbon dioxide, water, and humus. Landfarming is a managed process which changes the physical, chemical, or biological composition of hydrocarbon wastes, and it does not include any other land disposal practices, including, but not limited to, landfilling or codisposal.

SEC. 33. Section 25347 of the Health and Safety Code is repealed.

SEC. 34. Section 25347.2 of the Health and Safety Code is repealed.

SEC. 35. Section 25347.2 is added to the Health and Safety Code, to read:

25347.2. During any fiscal year, not less than $20,000,000 of funds in the state account shall be used to fund the direct costs of removal and remedial actions to hazardous substance release sites.

SEC. 36. Section 25347.6 is added to the Health and Safety Code, to read:

25347.6. (a) On and after July 1, 1989, the State Board of Equalization shall assess a fee upon each potentially responsible party for the administrative costs incurred by the department in connection with the oversight of any removal or remedial action taken pursuant to Section 25355.5 or any action taken pursuant to an order issued pursuant to subdivision (a) of Section 25358.3. The fee is in addition to actual costs incurred for the removal or remediation which are not oversight costs, and shall be recovered pursuant to Section 25360. The fees shall be collected in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code, and deposited into the state account.

(b) A potentially responsible party shall pay the fee imposed pursuant to this section prior to the commencement of the action for which the oversight occurs. The amounts of the fee specified in this section are base rates for the 1989–90 fiscal year. Thereafter, the State Board of Equalization shall adjust the fee annually to reflect increases or decreases in the cost of living, as measured by the Consumer Price Index issued by the Department of Labor or a

successor agency of the United States government.

(c) Each potentially responsible party shall pay a fee of five thousand dollars ($5,000) to pay for the costs of those actions deemed necessary by the department to accurately estimate the size and complexity of a hazardous substance release site to establish the fee imposed pursuant to subdivisions (d) to (j), inclusive.

(d) Each potentially responsible party shall pay a fee for a preliminary endangerment assessment of seven thousand five hundred dollars ($7,500).

(e) A potentially responsible party shall pay a fee for oversight of a removal action of fourteen thousand five hundred dollars ($14,500) for a small removal action, thirty-seven thousand dollars ($37,000) for a medium removal action, seventy-three thousand five hundred dollars ($73,500) for a large removal action, and one hundred forty-seven thousand dollars ($147,000) for an extra-large removal action.

(f) A potentially responsible party shall pay a fee for oversight of a remedial investigation and a feasibility study of twenty-one thousand five hundred dollars ($21,500) for a small site, forty-three thousand dollars ($43,000) for a medium site, eighty-five thousand five hundred dollars ($85,500) for a large site, and two hundred thousand dollars ($200,000) for an extra-large site.

(g) A potentially responsible party shall pay a fee for oversight of a remedial action plan of four thousand five hundred dollars ($4,500) for a small site, nine thousand dollars ($9,000) for a medium site, eighteen thousand dollars ($18,000) for a large site, and thirty-eight thousand dollars ($38,000) for an extra-large site.

(h) A potentially responsible party shall pay a fee for oversight of a remedial design of seven thousand five hundred dollars ($7,500) for a small site, fourteen thousand five hundred dollars ($14,500) for a medium site, twenty-nine thousand dollars ($29,000) for a large site, and eighty thousand dollars ($80,000) for an extra-large site.

(i) A potentially responsible party shall pay a fee for a final remedial action of ten thousand dollars ($10,000) for a small site, twenty thousand dollars ($20,000) for a medium site, forty thousand dollars ($40,000) for a large site, and one hundred six thousand dollars ($106,000) for an extra-large site.

(j) A potentially responsible party shall pay a fee per year for oversight and monitoring of ongoing operation and maintenance activities of six thousand dollars ($6,000) for a small operation and maintenance activity, twelve thousand dollars ($12,000) for a medium operation and maintenance activity, twenty-four thousand dollars ($24,000) for a large operation and maintenance activity, and thirty-four thousand dollars ($34,000) for an extra-large operation and maintenance activity.

(k) (1) Fees for any oversight activity being performed on July 1, 1989, or any subsequent date, shall be assessed pursuant to this section and Section 25347.7, even if the activity began prior to July 1, 1989. If the activity began prior to July 1, 1989, the fees shall be

payable within 60 days after the effective date of the act adding this section. This section shall not apply to activities for which work has been completed prior to the effective date of the act adding this section.

(2) If there is a conflict between this subdivision and Section 25347.7 and the provisions of any agreement entered into pursuant to subparagraph (C) of paragraph (1) of subdivision (a) of Section 25355.5 prior to the effective date of the act adding this section, the agreement shall prevail, unless the agreement is modified as allowed by its terms or by mutual consent of all parties.

(3) Any order or agreement entered into for removal or remedial action may be modified by consent of all parties to assess the fees listed in this section in place of any provisions for charges or cost recovery contained in the order of agreement.

(*l*) Notwithstanding this section, a potentially responsible party shall pay the State Board of Equalization a fee equal to the actual costs of the department's costs of oversight, in advance of the oversight for removal or remedial activities which is done, pursuant to an agreement, if the site is not listed pursuant to Section 25356, except the potentially responsible party is not required to pay for the costs of any activities necessary and incidental to entering the agreement, which shall be reimbursed pursuant to the agreement.

(m) The department may reclassify a site as to size, as warranted by new information supplied by the department, but this reclassification shall not result in a change in the amount of fees for oversight of any activity which has been completed or is underway.

(n) For the purpose of the calculation made pursuant to paragraph (7) of subdivision (a) of Section 25345, the department shall advise the State Board of Equalization of the amount collected under this section that shall be included for the calculations for the current year, and of the amount which shall be set aside for calculations for future years.

(o) Notwithstanding this section, the department may waive the fees imposed by this section for any hazardous substance release site owned and operated by an agency of the federal government, if the department has entered into an agreement with that agency for the payment of fees in an amount different from the amounts specified in this section.

SEC. 37. Section 25347.7 is added to the Health and Safety Code, to read:

25347.7. (a) A potentially responsible party is liable for reimbursing the state account or the Hazardous Substance Cleanup Fund for all expenditures associated with the identification, characterization, and remediation of hazardous substance release sites, including interest and administrative costs, pursuant to Section 25360, for any of these activities which occur before July 1, 1989. The department shall prorate the fees charged by the department pursuant to Section 25347.6 for an activity or phase of activity initiated, but not completed, prior to July 1, 1989, pursuant to this

section.

(b) The department shall divide the fee for an activity or phase of activity specified in Section 25347.6 by the number of months estimated by the department to be required to conduct the activity or phase of activity to establish a monthly fee quotient. The department shall subtract that portion of an activity or phase of activity completed prior to July 1, 1989, from the total number of months estimated by the department to be required to conduct the activity or phase of activity. The department shall multiply the remainder by the monthly fee quotient to establish the prorated fee.

(c) For purposes of making the estimates as are necessary to prorate fees, the department shall use the following time periods as the time periods necessary to complete the various activities and phases of activity specified in Section 25347.6 for which fees are assessed:

(1) The time period required to estimate site size for fee assessment purposes is three months.

(2) The time period required to conduct preliminary endangerment assessments is three months.

(3) The time period required to conduct removal actions is four months for small actions, six months for medium actions, 12 months for large actions, and 24 months for extra-large actions.

(4) The time period required to conduct remedial investigations and feasibility studies is nine months for small sites, 17 months for medium sites, 33 months for large sites, and 60 months for extra-large sites.

(5) The time period required to prepare remedial action plans is three months for small sites, three months for medium sites, six months for large sites, and nine months for extra-large sites.

(6) The time period required to prepare remedial design is two months for small sites, three months for medium sites, six months for large sites, and 12 months for extra-large sites.

(7) The time period required to conduct final remedial actions is deemed to be four months for small sites, eight months for medium sites, 20 months for large sites, and 40 months for extra-large sites.

(8) Ongoing operation and maintenance activities are deemed to be conducted 12 months per year.

SEC. 38. Section 25358.3 of the Health and Safety Code is amended to read:

25358.3. (a) Whenever the director determines that there may be an imminent or substantial endangerment to the public health or welfare or to the environment, because of a release or a threatened release of a hazardous substance, the director may do any or all of the following:

(1) Order any responsible party or parties to take appropriate removal or remedial action necessary to protect the public health and safety and the environment. No order under this section shall be made to an owner of real property solely on the basis of that ownership as specified in Sections 101(35) and 107(b) of the federal

act (42 U.S.C. Secs. 9601(35) and 9607(b)).

(2) Take or contract for any necessary removal or remedial action.

(3) Request the Attorney General to secure the relief as may be necessary to abate the danger or threat. The superior court of the county in which the threat or danger occurs shall have jurisdiction to grant the relief which the public interest and equities of the case may require to protect public health and welfare and the environment. Upon a showing by the department that a release or threatened release has occurred or is occurring, and that there may be an imminent or substantial endangerment to the public health or welfare or to the environment, the court may grant a permanent or temporary injunction, restraining order, or other order.

(b) When the director determines that a release of a hazardous substance has occurred or is about to occur, the director may do any or all of the following:

(1) Undertake those investigations, monitoring, surveys, testing, and other information gathering necessary to identify the existence, source, nature, and extent of the hazardous substances involved and the extent of danger to the public health or environment.

(2) Undertake those planning, legal, fiscal, economic, engineering, architectural, and other studies or investigations which are necessary or appropriate to plan and direct response actions, to recover the cost of those actions, and to enforce this chapter.

(c) Whenever there is a release or threatened release of a hazardous substance into the environment, the director may take or contract for any necessary removal or remedial action and may take or contract for any actions authorized by subdivision (b), in compliance with the provisions of this chapter, including, but not limited to, subdivision (b) of Section 25355.

(d) Any person bidding for a contract specified in subdivision (c) shall submit a disclosure statement, as specified by Section 25112.5, except for a federal, state, or local agency. The director may prohibit a person from bidding on such a contract if the director makes any of the following determinations:

(1) The director determines, in writing, that the bidder, or, if the bidder is a business entity, any trustee, officer, director, partner, or any person holding more than 5 percent of the equity in or debt liability of that business entity, has engaged in activities resulting in any federal or state conviction which are significantly related to the fitness of the bidder to perform the bidder's duties or activities under the contract. For purposes of this paragraph, "conviction" means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the department may take pursuant to this subdivision relating to the department's refusal to permit a person to bid on the contract may be based upon a conviction for which any of the following has occurred:

(A) The time for appeal has elapsed.

(B) The judgment of conviction has been affirmed on appeal.

(C) Any order granting probation is made suspending the

imposition of sentence, notwithstanding a subsequent order pursuant to Section 1203.4 of the Penal Code permitting that person to withdraw the plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

(2) The director determines, in writing, that the bidder, or, if the bidder is a business entity, any trustee, officer, director, partner, or any person holding more than 5 percent of the equity in or debt liability of that business entity, has violated or failed to comply with this chapter or Chapter 6.5 (commencing with Section 25100) or Chapter 6.7 (commencing with Section 25280) of this division, the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6901 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sec. 1801 et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601 et seq.), the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.), or any other equivalent federal or state statute or any requirement or regulation adopted pursuant thereto relating to the generation, transportation, treatment, storage, recycling, disposal, or handling of a hazardous waste, as defined in Section 25117, a hazardous substance, as defined in Section 25316, or a hazardous material, as defined in Section 353 of the Vehicle Code, if the violation or failure to comply shows a repeating or recurring pattern or may pose a threat to public health or safety or the environment.

(3) The director determines, in writing, that the bidder has had a license, permit, or registration for the generation, transportation, treatment, storage, recycling, disposal, or handling of hazardous waste or hazardous substances revoked or suspended.

(e) Whenever there is a release or threatened release of a hazardous substance, the director may request the Attorney General to secure the relief as may be necessary from the responsible party to abate the release or threatened release. The superior court of the county in which the release or threatened release occurs has jurisdiction to grant the relief which the public interest and equities of the case may require to protect public health and welfare and the environment. Upon a showing by the department that a release or threatened release of a hazardous substance has occurred or is occurring, the court may grant a permanent or temporary injunction, restraining order, or other order.

(f) In any civil action brought pursuant to this chapter in which a temporary restraining order, preliminary injunction, permanent injunction, or other order is sought, it shall not be necessary to allege or prove at any stage of the proceeding that irreparable damage will occur should the temporary restraining order, preliminary injunction, permanent injunction, or other order not be issued or that the remedy at law is inadequate The court shall issue the

temporary restraining order, preliminary injunction, permanent injunction, or other order without these allegations and without this proof.

(g) Notwithstanding subdivision (a) of Section 25366, subdivisions (e) and (f) and paragraph (3) of subdivision (a) apply to acts that occur both before or after the effective date of the act amending this section, without regard to when the release or threatened release first occurred.

SEC. 39. Section 25359.5 of the Health and Safety Code is amended to read:

25359.5. (a) After making a determination, based upon a preliminary site assessment that there has been a release of a hazardous substance on, under, or into the land on a site, the department or a county health officer shall order the property owner to secure the site if all of the following conditions apply to that site:

(1) The release does not comply with the terms of a current permit or interim status document or regulation of the department.

(2) The site poses a public health risk if human contact is made with the hazardous waste or the surrounding contaminated area.

(3) There is a likelihood of human or domestic animal contact.

(b) The order to secure the site shall require, within five days after receiving notification of the order, the posting of the site with signs. The order shall also require, within five days after receiving notification of the order, that the site be enclosed with a fence, unless it is physically and economically infeasible or unless the fencing is unnecessary because it will not alleviate the danger to the public health.

(c) If fencing is ordered, the fences shall be maintained at the site to prevent unauthorized persons from gaining access to the site. The signs shall be maintained and shall meet all of the following requirements:

(1) The signs shall be bilingual, appropriate to the local area, and may include international symbols, as required by the department.

(2) The signs shall have lettering which is legible from a distance of at least 25 feet.

(3) The signs shall read: "Caution: Hazardous Substance Area, Unauthorized Persons Keep Out" and shall have the name and phone number of the department or the county health officer that ordered the posting.

(4) The signs shall be visible from the surrounding contaminated area and posted at each route of entry into the site, including those routes which are likely to be used by unauthorized persons, at access roads leading to the site, and facing navigable waterways where appropriate.

(5) The signs shall be of a material able to withstand the elements.

(d) A property owner who fails to comply with an order of the department or the county health officer is subject to a civil penalty of up to twenty-five thousand dollars ($25,000). In determining the amount of a civil penalty to be imposed, the court shall consider all

relevant circumstances, including, but not limited to, the economic assets of the property owner and whether the property owner has acted in good faith.

If the property owner fails to secure and post the site, the department or the county health officer shall secure and post the site pursuant to subdivision (b) within 30 days of the expiration of the five-day period and shall seek recovery of the costs of that securing and posting from the property owner. If the site is an abandoned site, as defined in Section 25359.6, if the site cannot be traced to a specific owner, or if the owner has been declared bankrupt, the department or the county health officer shall secure and post the site, using any source of funds, pursuant to subdivision (b).

(e) The department or the county health officer shall advise other agencies on the public health risks and the need for fencing and posting of sites when those agencies confirm the release of a hazardous substance pursuant to subdivision (a).

(f) The remedies and penalties specified in this section and Section 25359.6 are in addition to, and do not affect, any other remedies, enforcement actions, requirements, or penalties otherwise authorized by law.

SEC. 40. Section 25360 of the Health and Safety Code is amended to read:

25360. (a) Any costs incurred and payable from the state account or the Hazardous Substance Cleanup Fund shall be recovered by the Attorney General, upon the request of the department, from the liable person or persons. The amount of any costs which may be recovered pursuant to this section, for a remedial or removal action paid from the Hazardous Substance Cleanup Fund, shall include the amount paid from that fund and interest on that amount calculated at a rate equal to the interest rate of the bonds sold pursuant to Article 7.5 (commencing with Section 25385).

(b) Except as provided in subdivision (c), in addition to the costs specified in subdivision (a), the person or persons are liable to the department for administrative costs in an amount equal to 10 percent of the reasonable cost actually incurred, or five hundred dollars ($500), whichever is greater.

(c) A person who is liable for costs incurred and payable from the state account for a removal or remedial action taken pursuant to an order issued or agreement entered into pursuant to paragraph (1) of subdivision (a) of Section 25355.5, or an order issued pursuant to subdivision (a) of Section 25358.3, may reduce that person's amount of liability by the amount of fees paid pursuant to Section 25347.6.

(d) The amount of cost determined pursuant to this section shall be recoverable in a civil action. Nothing in this section deprives a party of any defense he or she may have.

(e) Moneys recovered by the Attorney General pursuant to this section shall be deposited in the state account, except that, if the costs incurred were paid from the Hazardous Substance Cleanup Fund, the Attorney General shall deposit the amounts recovered into the

Hazardous Substance Clearing Account. Moneys deposited in the Hazardous Substance Clearing Account pursuant to this section are available to pay the principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385).

SEC. 41. Section 25395 of the Health and Safety Code is amended to read:

25395. (a) Except as provided in subdivisions (b), (c), and (d), this chapter, including, but not limited to, the tax imposed by Section 25345, shall remain in effect only until July 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1996, deletes or extends that date.

(b) On July 1, 1996, the Department of Finance shall submit a report to the Secretary of State which states whether the principal of, and interest on, the bonds sold pursuant to Article 7.5 (commencing with Section 25385) have been paid and the General Fund has been reimbursed for any and all amounts that were expended therefrom to pay the principal of, and interest on, those bonds. If the report states that the bonds have not been paid and the General Fund has not been reimbursed, then, notwithstanding subdivision (a), Article 1 (commencing with Section 25300), Article 2 (commencing with Section 25310), Article 3 (commencing with Section 25330), Article 4 (commencing with Section 25340), Article 6 (commencing with Section 25360), and Article 7.5 (commencing with Section 25385), shall not be repealed and shall remain in effect until the date specified in subdivision (c).

(c) If the articles specified in subdivision (b) remain in effect after July 1, 1996, pursuant to subdivision (b), on the date when the principal of, and interest on, the bonds sold pursuant to Article 7.5 (commencing with Section 25385) have been paid and the General Fund has been reimbursed for any and all amounts that were expended therefrom to pay the principal of, and interest on, those bonds, the Department of Finance shall submit a report to the Secretary of State containing that information. The articles specified in subdivision (b) shall be repealed on the date when that report is submitted.

(d) Section 25364.6 shall not be repealed, except as provided in subdivision (j) of that section.

(e) If the articles specified in subdivision (b) remain in effect after July 1, 1996, the committee, as defined in Section 25385.1, may determine the amount of the tax revenues to be collected annually pursuant to Section 25345, which amount may be less than, but shall not exceed, twenty million dollars ($20,000,000) plus the amount of refunds made pursuant to paragraph (3) of subdivision (d) of Section 25345.4. The committee shall also inform the State Board of Equalization, on March 1 of each calendar year, of the amount of the tax revenues which will be collected for the previous calendar year.

SEC. 42. Section 43002.3 of the Revenue and Taxation Code is amended to read:

43002.3. (a) For purposes of the collection of the fees specified

in subdivision (a) of Section 25174 and the fee imposed pursuant to Section 25174.1 of the Health and Safety Code, a determination by the State Department of Health Services that a waste is nonhazardous shall be effective only for wastes disposed of, or submitted for disposal, commencing with the month during which the State Department of Health Services receives a completed application for that determination.

(b) For purposes of the collection of the tax imposed pursuant to Section 25345 of the Health and Safety Code, a determination by the State Department of Health Services that a waste is nonhazardous shall commence with, and be effective for, wastes disposed of, or submitted for disposal, during the calendar year, or portion thereof, as determined by the State Department of Health Services, in which the State Department of Health Services receives a completed application for that determination on or before November 30 of that calendar year. Applications filed in December shall be deemed received on the following January 1st.

SEC. 43. Section 43012 of the Revenue and Taxation Code is amended to read:

43012. For purposes of this part, "taxpayer" means any person liable for the payment of a fee or a tax specified in subdivision (a) of Section 25174, or imposed by Section 25174.1 or 25345 of the Health and Safety Code.

SEC. 44. Section 43051 of the Revenue and Taxation Code is amended to read:

43051. The fee imposed pursuant to Section 25174.1 of the Health and Safety Code shall be administered and collected by the board in accordance with this part.

SEC. 45. Section 43053 of the Revenue and Taxation Code is amended to read:

43053. The fees imposed pursuant to Sections 25205.2, 25205.5, 25205.6, 25205.7, 25205.8, and 25347.6 of the Health and Safety Code shall be administered and collected by the board in accordance with this part.

SEC. 46. Section 43101 of the Revenue and Taxation Code is amended to read:

43101. Every person, as defined in Section 25118 of the Health and Safety Code, who is subject to the fees specified in subdivision (a) of Section 25174 or imposed pursuant to Section 25174.1 or 25345 of the Health and Safety Code shall register with the board on forms provided by the board.

SEC. 47. Section 43152 of the Revenue and Taxation Code is amended to read:

43152. (a) The taxes collected and administered under Section 43052 are due and payable to the board annually on or before July 1 of each year.

(b) Every person subject to the tax imposed pursuant to Section 25345 of the Health and Safety Code shall, on forms prescribed by the board, file an annual return and pay the proper amount of tax due.

SEC. 48. Section 43152.9 is added to the Revenue and Taxation Code, to read:

43152.9. (a) The fee imposed pursuant to Section 25205.6 of the Health and Safety Code, which is collected and administered under Section 43053, is due and payable on the last day of the second month following the end of the calendar year.

(b) Every corporation subject to the fee imposed pursuant to Section 25205.6 of the Health and Safety Code shall, on forms prescribed by the board, file an annual return and pay the proper amount of fee due.

SEC. 49. Section 43152.10 is added to the Revenue and Taxation Code, to read:

43152.10. The fees imposed pursuant to Sections 25205.7, 25205.8 and 25347.6 of the Health and Safety Code, which are collected and administered under Section 43053, are due and payable within 30 days after the date of assessment and the feepayer shall deliver a remittance of the amount of the assessed fee to the office of the board within that 30-day period.

SEC. 50. Chapter 5.6 (commencing with Section 13390) is added to Division 7 of the Water Code, to read:

CHAPTER 5.6. BAY PROTECTION AND TOXIC CLEANUP

13390. It is the intent of the Legislature that the state board and the regional boards establish programs that provide maximum protection for existing and future beneficial uses of bay and estuarine waters, and that these programs include a plan for remedial action at toxic hot spots. It is also the intent of the Legislature that these programs further compliance with federal law pertaining to the identification of waters where the protection and propagation of shellfish, fish, and wildlife are threatened by toxic pollutants and contribute to the development of effective strategies to control these pollutants. It is also the intent of the Legislature that these programs be structured and maintained in a manner which allows the state board and the regional boards to make maximum use of any federal funds which may be available for any of the purposes specified in this chapter.

13391. It is the intent of the Legislature that the State Water Resources Control Board review and update the "Water Quality Control Policy for Enclosed Bays and Estuaries of California," as adopted in 1974 pursuant to Article 3 (commencing with Section 13140) of Chapter 3, and shall develop numerical water quality objectives for the state's bays and estuaries. It is also the intent of the Legislature that appropriate state and regional agencies, including, but not limited to, the State Water Resources Control Board, regional water quality control boards, the State Department of Health Services, and the Department of Fish and Game, take all necessary actions to fully implement the policies and the principles contained in the state board's "Water Quality Control Policy for the Enclosed

Bays and Estuaries of California," and that the State Water Resources Control Board approve water quality control plans or plan amendments, pursuant to Section 13170 or Article 3 (commencing with Section 13240) of Chapter 4, consistent with that policy. Each regional board shall review and, if necessary, revise waste discharge requirements that are inconsistent with those policies and principles.

13391.5. The definitions set forth in this section govern the construction of this chapter.

(a) "Enclosed bays" means indentations along the coast which enclose an area of oceanic water within distinct headlands or harbor works. "Enclosed bays" include all bays where the narrowest distance between the headlands or outermost harbor works is less than 75 percent of the greatest dimension of the enclosed portion of the bay. "Enclosed bays" include, but are not limited to, Humboldt Bay, Bodega Harbor, Tomales Bay, Drake's Estero, San Francisco Bay, Morro Bay, Los Angeles-Long Beach Harbor, Upper and Lower Newport Bay, Mission Bay, and San Diego Bay. For the purposes of identifying, characterizing, and ranking toxic hot spots pursuant to this chapter, Monterey Bay and Santa Monica Bay shall also be considered to be enclosed bays.

(b) "Estuaries" means waters, including coastal lagoons, located at the mouths of streams which serve as mixing zones for fresh and ocean waters. Coastal lagoons and mouths of streams which are temporarily separated from the ocean by sandbars shall be considered as estuaries. Estuarine waters shall be considered to extend from a bay or the open ocean to a point upstream where there is no significant mixing of fresh water and sea water. Estuarine waters include, but are not limited to, the Sacramento-San Joaquin Delta, as defined in Section 12220, Suisun Bay, Carquinez Strait downstream to the Carquinez Bridge, and appropriate areas of the Smith, Mad, Eel, Noyo, Russian, Klamath, San Diego, and Otay Rivers.

(c) "Health risk assessment" means an analysis which evaluates and quantifies the potential human exposure to a pollutant that bioaccumulates or may bioaccumulate in edible fish, shellfish, or wildlife. "Health risk assessment" shall include an analysis of both individual and population wide health risks associated with anticipated levels of human exposure, including potential synergistic effects of toxic pollutants and impacts on sensitive populations.

(d) "Sediment quality threshold" means that level of a constituent in sediment which is established with an adequate margin of safety, for the reasonable protection of the beneficial uses of water or the prevention of nuisances.

(e) "Toxic hot spots" means locations in enclosed bays, estuaries, or any adjacent waters in the "contiguous zone" or the "ocean," as defined in Section 502 of the Clean Water Act (33 U.S.C. Sec. 1362), the pollution or contamination of which affects the interests of the state, and where hazardous substances have accumulated in the sediment to levels which (1) may pose a substantial present or

potential hazard to aquatic life, wildlife, fisheries, or human health, or (2) may adversely affect the beneficial uses of the bay, estuary, or ocean waters as defined in water quality control plans. For purposes of this chapter, "hazardous substances" shall have the same meaning as in subdivision (d) of Section 25281 of the Health and Safety Code.

13392. The state board and the regional boards, in consultation with the State Department of Health Services and the Department of Fish and Game, shall develop and maintain a comprehensive program to (1) identify and characterize toxic hot spots, as defined in Section 13391.5, (2) plan for the cleanup or other appropriate remedial or mitigating actions at the sites, and (3) amend water quality control plans and policies to incorporate strategies to prevent the creation of new toxic hot spots and the further pollution of existing hot spots. As part of this program, the state board and regional boards shall, to the extent feasible, identify specific discharges or waste management practices which contribute to the creation of toxic hot spots, and shall develop appropriate prevention strategies, including, but not limited to, adoption of more stringent waste discharge requirements, onshore remedial actions, adoption of regulations to control source pollutants, and development of new programs to reduce urban and agricultural runoff.

13392.5. (a) Each regional board which has regulatory authority for one or more enclosed bays or estuaries shall, by January 1, 1991, develop for each enclosed bay or estuary, a consolidated data base which identifies and describes all known and suspected toxic hot spots. Each regional board shall, in consultation with the state board, also develop an ongoing monitoring and surveillance program that includes, but is not limited to, the following components:

(1) Establishment of a monitoring and surveillance task force that includes representation from agencies, including, but not limited to, the State Department of Health Services and the Department of Fish and Game, that routinely monitor water quality, sediment, and aquatic life.

(2) Suggested guidelines to promote standardized analytical methodologies and consistency in data reporting.

(3) Identification of additional monitoring and analyses that are needed to develop a complete toxic hot spot assessment for each enclosed bay and estuary.

(b) Each regional board shall make available to state and local agencies and the public all information contained in the consolidated data base, as well as the results of new monitoring and surveillance data.

13392.6. (a) On or before July 1, 1991, the state board shall adopt and submit to the Legislature a workplan for the adoption of sediment quality thresholds for toxic pollutants that have been identified in known or suspected toxic hot spots and for toxic pollutants that have been identified by the state board or a regional board as a pollutant of concern. The workplan shall include priorities and a schedule for development and adoption of sediment quality

thresholds, identification of additional resource needs, and identification of staff or funding needs. The state board is not prohibited from adopting a sediment quality threshold in the workplan for a constituent for which the workplan identifies additional research needs.

(b) In preparing the workplan pursuant to subdivision (a), the state board shall conduct public hearings and workshops and shall consult with persons associated with municipal discharges, industrial discharges, other public agencies, research scientists, commercial and sport fishing interests, marine interests, organizations for the protection of natural resources and the environment, and the general public.

13393. The state board, when adopting sediment quality thresholds pursuant to the workplan submitted pursuant to Section 13392.6, shall base the sediment quality thresholds on monitoring and bioaccumulation studies, shall provide adequate protection for the most sensitive aquatic organisms, and shall base the sediment quality thresholds on a health risk assessment if there is potential for bioaccumulation of pollutants through the food chain to edible fish, shellfish, or wildlife.

13393.5. On or before July 1, 1992, the state board, in consultation with the State Department of Health Services and the Department of Fish and Game, shall adopt general criteria for the assessment and priority ranking of toxic hot spots. The criteria shall take into account the pertinent factors relating to public health and environmental quality, including, but not limited to, potential hazards to public health, toxic hazards to fish, shellfish, and wildlife, and the extent to which the deferral of a remedial action will result or is likely to result in a significant increase in environmental damage, health risks, or cleanup costs.

13394. On or before July 1, 1993, each regional board shall complete and submit to the state board a toxic hot spots cleanup plan. On or before January 1, 1994, the state board shall submit to the Legislature a consolidated statewide toxic hot spots cleanup plan. The cleanup plan submitted by each regional board and the state board shall include, but not be limited to, the following information:

(a) A priority ranking of all hot spots, including the state board's recommendations for remedial action at each toxic hot spot site.

(b) A description of each hot spot site including a characterization of the pollutants present at the site.

(c) An estimate of the total costs to implement the plan.

(d) An assessment of the most likely source or sources of pollutants.

(e) An estimate of the costs that may be recoverable from parties responsible for the discharge of pollutants that have accumulated in sediment.

(f) A preliminary assessment of the actions required to remedy or restore a toxic hot spot.

(g) A two-year expenditure schedule identifying state funds

needed to implement the plan.

(h) A summary of actions that have been initiated by the regional board to reduce the accumulation of pollutants at existing hot spots and to prevent the creation of new hot spots.

(i) The plan submitted by the state board shall include findings and recommendations concerning the need for establishment of a toxic hot spots cleanup program.

13394.5. The state board, as part of the annual budget process, shall prepare and submit to the Legislature a recommended annual expenditure plan for the implementation of this chapter.

13395. Each regional board shall, within 120 days from the ranking of a toxic hot spot, initiate a reevaluation of waste discharge requirements for dischargers who, based on the determination of the regional board, have discharged all or part of the pollutants which have caused the toxic hot spot. These reevaluations shall be for the purpose of ensuring compliance with water quality control plans and water quality control plan amendments. These reevaluations shall be initiated according to the priority ranking established pursuant to subdivision (a) of Section 13394 and shall be scheduled so that, for each region, the first reevaluation shall be initiated within 120 days from, and the last shall be initiated within one year from, the ranking of the toxic hot spots. The regional board shall, consistent with the policies and principles set forth in Section 13391, revise waste discharge requirements to ensure compliance with water quality control plans and water quality control plan amendments adopted pursuant to Article 3 (commencing with Section 13240) of Chapter 4, including requirements to prevent the creation of new toxic hot spots and the maintenance or further pollution of existing toxic hot spots. The regional board may determine it is not necessary to revise a waste discharge requirement only if it finds that the toxic hot spot resulted from practices no longer being conducted by the discharger or permitted under the existing waste discharge requirement, or that the discharger's contribution to the creation or maintenance of the toxic hot spot is not significant.

13395.5. The state board may enter into contracts and other agreements for the purpose of evaluating or demonstrating methods for the removal, treatment, or stabilization of contaminated bottom sediment. For the purpose of preparing health risk assessments pursuant to Section 13393, the state board shall enter into contracts or agreements with the State Department of Health Services, or with other state or local agencies, subject to the approval of the State Department of Health Services. The costs incurred for work conducted by other state agencies, including, but not limited to, the State Department of Health Services and the Department of Fish and Game, pursuant to this chapter shall be reimbursed according to the terms of an interagency agreement between the state board and the agency.

13396. No person shall dredge or otherwise disturb a toxic hot spot site that has been identified and ranked by a regional board

without first obtaining certification pursuant to Section 401 of the Clean Water Act (33 U.S.C. Sec. 1341) or waste discharge requirements from the board. If the state board or a regional board does not issue waste discharge requirements or a certification within the period provided for certification under Section 401 of the Clean Water Act, the certification shall be deemed denied without prejudice. On or after January 1, 1993, no regional board shall grant approval for a dredging project that involves the removal or disturbance of sediment which contains pollutants at or above the sediment quality thresholds established pursuant to Section 13393 unless the regional board determines all of the following:

(a) The polluted sediment will be removed in a manner that prevents or minimizes water quality degradation.

(b) Polluted dredge spoils will not be deposited in a location that may cause significant adverse effects to aquatic life, fish, shellfish, or wildlife or may harm the beneficial uses of the receiving waters, or does not create maximum benefit to the people of the state.

(c) The project or activity will not cause significant adverse impacts upon a federal sanctuary, recreational area, or other waters of significant national importance.

SEC. 51. Item 4260-011-014 of Section 2.00 of the Budget Act of 1989 is amended to read:

4260-011-014—For support of Department of Health Services (Toxic Substances Control Division)		44,000,000
Schedule:		
(a) 12.10-Site Mitigation	85,911,000	
(b) 12.20-Permitting	20,440,000	
(c) 12.30-Surveillance and Enforcement	20,697,000	
(d) 12.40-Alternative Technology	19,629,000	
(e) 12.50.010-Program Direction and Support	17,905,000	
(f) 12.50.020-Distributed Program Direction and Support	-17,905,000	
(g) Amount payable from Hazardous Waste Management Plan (Item 4260-011-428)	-1,015,000	
(h) Amount payable from Hazardous Substance Account (Item 4260-011-455)	-64,000,000	
(i) Amount payable from Federal Trust Fund (Item 4260-011-890) ..	-6,012,000	
(j) Amount payable from Hazardous Substance Account (Item 4260-020-455)	-3,400,000	
(k) Amount payable from Federal Trust Fund (Item 4260-021-890) ..	-28,250,000	
Provisions:		

1. Notwithstanding subdivision (a) of Section 25353 of the Health and Safety Code, funds from the Hazardous Substance Account appropriated by this act may be used by the department to provide for state oversight of the abatement of hazardous waste sites located on property owned and operated by the federal government including federal military installations.
2. If a responsible party, or parties, pay(s) the department in advance for the state's costs incurred in monitoring responsible-party cleanups, funds budgeted in the Hazardous Substance Account shall not be spent unless the Legislature is provided 30 days' advance notice.
3. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Waste Control Account, General Fund.
4. Notwithstanding provision (b) of Section 1 of Chapter 1624, Statutes of 1988, the amount of money equal to the state's share of the responsibility shall not be transferred from the General Fund to the Special Account for Capital Outlay.
5. At least 30 days prior to the department's submittal to the Office of Administrative Law of proposed regulations regarding a permit-by-rule approach to permitting facilities which handle state-only wastes, a copy of the proposed regulations shall be submitted for review to the Assembly Committee on Environmental Safety and Toxic Materials, the Assembly Ways and Means Committee, the Senate Committee on Toxics and Public Safety Management, and the Senate Committee on Budget and Fiscal Review.

SEC. 52. Item 4260-011-455 of Section 2.00 of the Budget Act of 1989 is amended to read:

4260-011-455—For support of Department of Health Services (Toxic Substances Control Division), for payment to Item 4260-011-014, payable from the Hazardous Substance Account, General Fund 64,000,000

Provisions:

1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services payable from the Hazardous Substance Account.

SEC. 53. Item 4260-012-001 is added to Section 2.00 of the Budget Act of 1989, to read:

4260-012-001—For support of Department of Health Services, to be transferred from the General Fund to the Hazardous Substance Account 10,000,000

SEC. 53.5. Notwithstanding any other provision of law, in the event that revenue received by the Department of Health Services fails to meet the requirements of Item 4260-011-014 of the Budget Act of 1989, the department shall reduce the state administrative cost and shall not reduce the taking of direct removal and remedial actions to hazardous substance release sites.

SEC. 54. (a) The sum of three million nine hundred thousand dollars ($3,900,000) is hereby appropriated from the Hazardous Substance Account in the General Fund to the State Water Resources Control Board for the operation of the underground tank pilot project pursuant to Section 25297.1 of the Health and Safety Code.

(b) The sum of five million dollars ($5,000,000) is hereby appropriated from the Hazardous Waste Control Account in the General Fund to the State Waste Resource Control Board to implement Chapter 5.6 (commencing with Section 13390) of Division 7 of the Water Code.

SEC. 55. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 56. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the state to continue to provide adequate funding for the state's hazardous waste control program, and to protect public health and safety, it is necessary that this act take effect immediately.

CHAPTER 270

An act to amend Sections 22401.5 and 87822 of, and to add Section 87790 to, the Education Code, relating to public schools.

[Approved by Governor August 3, 1989 Filed with Secretary of State August 3, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22401.5 of the Education Code is amended to read:

22401.5. An application for a refund of the member's accumulated contributions, an application for an election, change, or cancellation of a preretirement option, an application for a service retirement allowance payable by the system, an application for modification of a service retirement allowance payable by the system, and an application for the withdrawal of accumulated annuity deposit contributions, shall contain the signature of the spouse of the member, unless the member declares, in writing under penalty of perjury, that either: (a) the member does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse; (b) the spouse has been advised of the application and has refused to sign the written acknowledgment; (c) the spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition; or (d) the member and the spouse have executed a marriage settlement agreement pursuant to Chapter 6 (commencing with Section 5133) of Title 8 of Part 5 of Division 4 of the Civil Code which makes the community property law inapplicable to the marriage.

The sole purpose of this section is to provide for spousal notification of the selection of specified benefits made by a member.

SEC. 2. Section 87790 is added to the Education Code, to read:

87790. Notwithstanding any other provisions of this code, except Part 13 (commencing with Section 22000), the governing body of a community college district may adopt a workload balancing program for certificated employees, under which time worked in excess of that required for a full-time position is banked and an equivalent paid leave of absence is granted in a subsequent quarter, semester, or academic year.

SEC. 3. Section 87822 of the Education Code is amended to read:

87822. Except as provided in Section 87790, when any community college district employs a certificated employee to perform instruction or other services in addition to his or her regular instructing duties, or when a district employs a certificated employee to perform instructing or other services at a summer school maintained by the district, the district shall pay the employee for those services either in one lump sum or at an hourly, daily, biweekly, quadriweekly, or monthly rate of pay. If the pay is in one lump sum,

the district shall pay the employee within 10 days after the termination of the services. If the pay is at an hourly, daily, biweekly, quadriweekly or monthly rate, the district shall pay the employee within 10 days after the end of each calendar month or pay period during which the services are performed.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 271

An act relating to public social services

[Approved by Governor August 3, 1989. Filed with Secretary of State August 3, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) There are an estimated 8,000 to 12,000 Amerasian children living in Vietnam who were fathered by American servicemen between 1962 and 1976.

(b) Because of the prominent American features which stand out among the homogeneous Vietnamese population, these children, whose ties to our country are undisputed, and their families face severe hardship, ostracism, and deprivation of education and other services and often live on the streets of Saigon.

(c) With the passage of the federal Amerasian Homecoming Act, 30,000 Amerasian children and their family members will be coming to the United States in the next two years.

(d) A number of these children have relatives in California and will be making their home here.

(e) A needs assessment is necessary because data on numbers and information on service needs is currently inadequate for appropriate service planning and to determine what level of federal refugee funds will adequately meet the needs of Amerasians making their homes in California.

(f) Because admission of Amerasians is a federal decision, the

federal government bears the financial responsibility to assure adequate support to the states and localities for their effective resettlement and ultimate integration into American life.

SEC. 2. The State Department of Social Services shall develop information on the characteristics and service needs of this population, in consultation with the State Department of Education, volunteer agencies responsible for initial resettlement, refugee mutual assistance associations, and other appropriate state agencies as determined by the State Department of Social Services. The State Department of Social Services shall include provisions in the state's plan for refugee and entrant assistance and services to address these needs. The plan shall, at a minimum, address the need for the following:

(a) Orientation and information and referral services for Amerasian children, their fathers, and family members after their arrival in the United States.

(b) Orientation services for foster parents of Amerasian children without family members.

(c) Educational services, including tutoring services.

(d) Available bilingual counseling and educational services.

(e) Identification of contact persons in county welfare departments for casework and other services.

(f) Appropriate independent living skills services for older children.

SEC. 3. The State Department of Social Services shall seek federal funding for unmet service requirements of Amerasian children and their families identified in the needs determination required by Section 2 of this act. These unmet requirements shall only be provided to the extent that federal funding is available and allowable pursuant to federal law and regulations.

CHAPTER 272

An act to add Sections 19403.5, 19410.8, 19415.8, and 19546 to the Business and Professions Code, relating to horseracing.

[Approved by Governor August 3, 1989 Filed with Secretary of State August 3, 1989.]

The people of the State of California do enact as follows:

SECTION 1. (a) This act is intended to provide the racing fairs of California with additional racing opportunities during their daily racing program that are eligible for public wagering.

(b) The Legislature finds and declares that the California racing fairs, including the Los Angeles County Fair and the California Exposition and State Fair, are declining both in racing attendance and in their contribution of revenues to the General Fund.

(c) The Legislature further finds and declares that this act will provide increased opportunities for California horsemen to show, compete, and race their horses, and will allow the public to wager on these competitions.

SEC. 2. Section 19403.5 is added to the Business and Professions Code, to read:

19403.5. "Barrel race" means a horserace around a course with three barrels placed in a triangular pattern which conforms to the requirements of the Women's Professional Rodeo Association. Two barrel racecourses may be run simultaneously in the form of a heat.

SEC. 3. Section 19410.8 is added to the Business and Professions Code, to read:

19410.8. "Match jumping race" means a horserace, over obstacles made of artificial or natural material, which is shorter than a steeplechase course, and is run by two horses for time with faults converted to time. Requirements and rules for a match jumping race shall conform to the requirements and rules of the American Horse Shows Association.

SEC. 4. Section 19415.8 is added to the Business and Professions Code, to read:

19415.8. "Steeplechase race" means a horserace over obstacles made of natural or artificial material and includes both hurdle and timber races. Rules for a steeplechase race shall conform to rules of the National Steeplechase and Hunt Association.

SEC. 5. Section 19546 is added to the Business and Professions Code, to read:

19546. (a) In order to encourage and develop the racing of all horses in California, regardless of breed, whenever the California Fair and State Exposition, a county fair, or a district agricultural association fair conducts a program of horseraces with parimutuel wagering, it may provide a program of mixed breed racing that includes thoroughbred racing, harness racing, quarter horse racing, Arabian racing, paint racing, Appaloosa racing, steeplechase races, barrel races, and match jumping races.

(b) All recognized breeds of horses may compete in barrel races, match jumping races, and steeplechase races. Parimutuel wagering may be conducted on barrel races, match jumping races, and steeplechase races.

CHAPTER 273

An act to amend, repeal, and add Section 19549.4 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 3, 1989 Filed with Secretary of State August 3, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 19549.4 of the Business and Professions Code is amended to read:

19549.4. Notwithstanding Section 19414.5, the board may allocate racing weeks consisting of fewer than five days to an association conducting a meeting pursuant to Section 19549.2 or 19549.6, if the association and the organization representing the horsemen participating in the meeting agree to the allocation.

This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 2. Section 19549.4 is added to the Business and Professions Code, to read:

19549.4. Notwithstanding Section 19414.5, the board may allocate racing weeks consisting of fewer than five days to an association conducting a meeting pursuant to Section 19549.2 if the association and the organization representing the horsemen participating in the meeting agree to the allocation.

This section shall become operative on January 1, 1993.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure a viable harness racing meet at the California Exposition and State Fair during the fall of 1989 and in order to preserve the night harness racing industry, it is necessary that this act take effect immediately.

CHAPTER 274

An act to amend Section 7265 of, and to add Sections 7204.1 and 7271.1 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 3, 1989 Filed with Secretary of State August 3, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7204.1 is added to the Revenue and Taxation Code, to read:

7204.1. (a) For purposes of this section:

(1) "Local agency" means a city, county, city and county, or redevelopment agency which has contracted with the board to administer the taxes imposed under this part.

(2) "Quarterly taxes" means the total amount of sales and use taxes transmitted by the board to a local agency for a calendar quarter.

(3) "Refund" means the amount of sales and use taxes deducted by the board from a local agency's quarterly taxes in order to pay the local agency's share of a sales and use tax refund due to one taxpayer.

(4) "Offset portion" means that portion of the refund which exceeds the greater of fifty thousand dollars ($50,000) or 20 percent of the local agency's quarterly taxes.

(b) Except as provided in subdivision (c), if the board has deducted a refund from a local agency's quarterly taxes which includes an offset portion, then the following provisions apply:

(1) Within three months after the board has deducted an offset portion, the local agency may request the board to transmit the offset portion to the local agency.

(2) As promptly as feasible after the board receives the local agency's request, the board shall transmit to the local agency the offset portion as part of the board's periodic transmittal of sales and use taxes.

(3) The board shall thereafter deduct a pro rata share of the offset portion from future transmittals of sales and use taxes to the local agency over a period to be determined by the board, but not less than two calendar quarters and not more than eight calendar quarters, until the entire amount of the offset portion has been deducted.

(c) The board shall not transmit the offset portion of the refund to the local agency if that transmittal would reduce or delay either the board's payment of the refund to the taxpayer or the board's periodic transmittals of sales and use taxes to other local agencies.

SEC. 2. Section 7265 of the Revenue and Taxation Code is amended to read:

7265. No ordinance adopted pursuant to this part shall be operative on other than the first day of a calendar quarter, or prior to the first day of the first calendar quarter, commencing more than

110 days after the adoption of the ordinance.

SEC. 3. Section 7271.1 is added to the Revenue and Taxation Code, to read:

7271.1. (a) For purposes of this section:

(1) "Quarterly taxes" means the total amount of transactions and use taxes transmitted by the board to a district for a calendar quarter.

(2) "Refund" means the amount of transactions and use taxes deducted by the board from a district's quarterly taxes in order to pay the district's share of a transactions and use tax refund due to one taxpayer.

(3) "Offset portion" means that portion of the refund which exceeds the greater of fifty thousand dollars ($50,000) or 20 percent of the district's quarterly taxes.

(b) Except as provided in subdivision (c), if the board has deducted a refund from a district's quarterly taxes which includes an offset portion, then the following provisions apply:

(1) Within three months after the board has deducted an offset portion, the district may request the board to transmit the offset portion to the district.

(2) As promptly as feasible after the board receives the district's request, the board shall transmit to the district the offset portion as part of the board's periodic transmittal of transactions and use taxes.

(3) The board shall thereafter deduct a pro rata share of the offset portion from future transmittals of transactions and use taxes to the district over a period to be determined by the board, but not less than two calendar quarters and not more than eight calendar quarters, until the entire amount of the offset portion has been deducted.

(c) The board shall not transmit the offset portion of the refund to the district if that transmittal would reduce or delay either the board's payment of the refund to the taxpayer or the board's periodic transmittals of transactions and use taxes to other districts.

CHAPTER 275

An act relating to the Whittier Union High School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 3, 1989. Filed with Secretary of State August 3, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) The Whittier Union High School District currently is experiencing financial distress due to a shortfall of one million eight hundred thousand dollars ($1,800,000) in the June 1988 state education apportionment to the district.

(b) This deficiency in the June 1988 apportionment to the Whittier Union High School District is compounded in subsequent state apportionments to the district, since the state's formula for allocating apportionments to the district in the 1989–90 fiscal year is based on this deficient June 1988 apportionment, and that the total amount of the shortfall through February 1989 will thus be approximately three million dollars ($3,000,000).

(c) The effect of this deficient 1988 state apportionment on the Whittier Union High School District has been particularly acute in the light of recent earthquake damage afflicting the district.

(d) The shortfall in the 1988–89 state apportionments to the Whittier Union High School District did not occur as a result of any error on the part of the district, or the state, but rather was due to a miscalculation by the Los Angeles County Auditor-Controller in overstating the district's property tax revenues.

(e) The state has experienced a windfall in the form of accrued interest on the funds that should have been provided to the Whittier Union High School District.

(f) The financial hardship of the Whittier Union High School District would be substantially alleviated by the timely and complete repayment of the depreciated portion of its 1988–89 apportionments.

(g) The foregone interest that the Whittier Union High School District would have accrued on the depreciated portion of its 1988–89 state apportionment has been accurately calculated on the basis of the standard investment procedure whereby school districts in Los Angeles County deposit funds in the County Pooled Money Investment Account until they are needed.

(h) The state should rectify its depreciated 1988–89 apportionments to the Whittier Union High School District by fully and promptly compensating the district in the amount of the deficiency in its 1988–89 apportionments and by reimbursing the district for the foregone interest that would have accrued on this sum.

(i) The state will experience neither a net loss nor a net gain in revenue by reimbursing the Whittier Union High School District in a timely and just manner for the deficiency in the 1988–89 state apportionments and for the lost interest thereupon.

(j) The state should provide a mechanism for the district to recoup the interest earnings which were lost as a result of the county's miscalculation. However, it is the intent of the Legislature that provision for payment of calculation errors of this type shall not be made unless the revenue loss which occurs is equal to at least 10 percent of the affected agency's total budget.

SEC. 2. For the 1989–90 fiscal year only, notwithstanding any other provision of law to the contrary warrants from the State Treasury for amounts apportioned to the Whittier Union High School District shall be for amounts equal to 15 percent in July, August, September, and October; 0 percent in November and December; and 6 percent in January of the amounts certified by the

Superintendent of Public Instruction as part of the advance apportionment. Warrants for amounts apportioned to the district for the months of February to May, inclusive, shall be in accordance with paragraph (3) of subdivision (a) of Section 14041 of the Education Code, and for the month of June shall be in accordance with paragraph (4) of subdivision (a) of Section 14041 of the Education Code.

SEC. 3. It is the intent of the Legislature that the Superintendent of Public Instruction shall, notwithstanding Section 41330 of the Education Code, implement this act as if it had been enacted by July 15, 1989.

SEC. 4. Due to the unique circumstances concerning the Whittier Union High School District, it is necessary that funding be made available to the district and the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to alleviate the financial distress that the Whittier Union High School District is currently experiencing, it is necessary that this act take effect immediately.

CHAPTER 276

An act to add Section 21290.6 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor August 3, 1989 Filed with Secretary of State August 3, 1989]

The people of the State of California do enact as follows.

SECTION 1. Section 21290.6 is added to the Government Code, to read:

21290.6. Notwithstanding any provision of this part to the contrary, a retired state safety or state peace officer/firefighter member who, before January 1, 1986, was eligible for an industrial disability allowance but elected, instead, for a nonindustrial disability allowance may elect for an industrial disability retirement allowance. A change in retirement status pursuant to this section does not, in itself, constitute a basis for a change in the optional settlement or the beneficiary designation. The industrial disability allowance shall be calculated as if former Section 21293.5, as repealed by Chapter 557 of the Statutes of 1985, was never enacted and in no event shall be in an amount less than his or her nonindustrial disability allowance.

The allowance elected pursuant to this section shall be paid only

on and after the effective date of the election and nothing in this section shall be construed as providing for any increase in benefits payable prior to the effective date of the election, or for any claim for such an increase. The effective date of an election shall be no earlier than the first day of the month following the month in which the election is received by the board.

Any state safety member who applies for an election pursuant to this section shall have the burden of proving that he or she was, by competent medical evidence, industrially disabled at retirement and the duties of his or her job at retirement.

The board has no duty to identify, locate, or notify any annuitant who may be eligible for the benefits provided by this section.

CHAPTER 277

An act to add Section 7285.5 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature. Filed with Secretary of State August 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 7285.5 is added to the Revenue and Taxation Code, to read:

7285.5. As an alternative to the procedure set forth in Section 7285, the board of supervisors of any county with a population of 350,000 or less on January 1, 1987, may establish an authority for specific purposes.

An authority so established may impose a transactions and use tax at a rate of 0.5 percent for the purpose for which it is established, if all of the following requirements are met:

(a) The ordinance proposing that tax is approved by a two-thirds vote of the authority and is subsequently approved by a majority vote of the qualified voters of the county voting in an election on the issue.

(b) The transactions and use tax conforms to Part 1 6 (commencing with Section 7251).

(c) The ordinance includes an expenditure plan describing the specific projects for which the revenues from the tax may be expended.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to timely provide an adequate system for using tax revenues, it is necessary that this act take effect immediately.

CHAPTER 278

An act to amend Section 1720 of the Labor Code, relating to public works.

[Became law without Governor's signature. Filed with Secretary of State August 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1720 of the Labor Code is amended to read:

1720. As used in this chapter, "public works" means:

(a) Construction, alteration, demolition, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority.

(b) Work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type. "Public work" shall not include the operation of the irrigation or drainage system of any irrigation or reclamation district, except as used in Section 1778 relating to retaining wages.

(c) Street, sewer, or other improvement work done under the direction and supervision or by the authority of any officer or public body of the state, or of any political subdivision or district thereof, whether the political subdivision or district operates under a freeholder's charter or not.

(d) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(e) The laying of carpet in a public building done under contract and paid for in whole or part out of public funds.

(f) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

SEC. 2. This act shall become operative only if Assembly Bill 680 is enacted in the 1989–90 Regular Session of the Legislature and adds Section 143 to the Streets and Highways Code authorizing the Department of Transportation to enter into agreements with private entities for the construction by, and lease to, private entities of public transportation demonstration projects. In that case, this act shall become operative on the operative date of Assembly Bill 680, or as soon as possible thereafter.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

CHAPTER 279

An act to amend Section 2775.5 of the Public Utilities Code, relating to public utilities.

[Approved by Governor August 30, 1989 Filed with Secretary of State August 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2775.5 of the Public Utilities Code is amended to read:

2775.5. (a) If an electrical or gas corporation desires to manufacture, lease, sell, or otherwise own or control any solar energy system, it shall submit to the commission, in such form as the commission may specify, a description of the proposed program of solar energy development which it desires to pursue. The corporation may pursue the program of solar energy development unless the commission, within 45 days after the commission has accepted the filing of the corporation's description pursuant to this subdivision, orders the corporation to obtain from the commission the authorization to do so as provided in this section. No such authorization shall be required for any solar energy system which is owned or controlled for experimental or demonstration purposes. As used in this subdivision, "experimental or demonstration purposes" means a limited program of installation, use, or development the sole purpose of which is to investigate the technical viability or economic cost effectiveness of a solar application.

(b) The commission shall deny the authorization sought if it finds that the proposed program will restrict competition or restrict growth in the solar energy industry or unfairly employ in a manner which would restrict competition in the market for solar energy systems any financial, marketing, distributing, or generating advantage which the corporation may exercise as a result of its authority to operate as a public utility. Before granting any such authorization, the commission shall find that the program of solar energy development proposed by the corporation will accelerate the development and use of solar energy systems in this state for the duration of the program.

(c) The commission shall suspend or terminate any authorization granted pursuant to this section whenever it finds and determines that the program of solar energy development no longer qualifies for the authorization under subdivision (b). This subdivision applies to all programs of solar energy development undertaken by a gas or electrical corporation pursuant to this section, including programs undertaken pursuant to subdivision (a) without formal authorization

of the commission.

(d) As used in this section, "solar energy system" means equipment which uses solar energy to heat or cool or produce electricity and which has a useful life of at least three years. "Solar energy system" shall not include an electric plant as defined by Section 217.

(e) The commission shall prescribe the form of the description required by subdivision (a) by July 1, 1990. The description of the solar energy program filed with the commission shall include, but not be limited to, a showing that the program will not restrict competition, or restrict growth in the solar energy industry, or unfairly employ any financial, marketing, distributing, or generation advantage by the corporation on behalf of the solar energy program.

(f) The costs and expenses of implementing a program of solar energy development proposed pursuant to this section shall not be passed through to the ratepayers of an electrical or gas corporation.

(g) An electrical or gas corporation shall file a written notice with the commission in all cases where one of its subsidiaries seeks to implement a solar energy development program. If the corporation intends to provide financial, marketing, or distribution assistance to any subsidiary thereof in implementing the subsidiary's program of solar energy development, the corporation shall obtain authorization from the commission to provide that assistance. Authorization by the commission shall be given in the manner provided in subdivisions (a) and (b), and suspension or termination by the commission may be imposed in the manner provided in subdivision (c).

(h) The commission shall provide public notice of the receipt of any corporation filings submitted pursuant to this section.

CHAPTER 280

An act to amend Sections 31207, 31257, 31309, and 31352.5 of the Public Resources Code, relating to coastal resources.

[Approved by Governor August 30, 1989. Filed with Secretary of State August 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 31207 of the Public Resources Code is amended to read:

31207. Following approval of a proposed coastal restoration project by the conservancy, the conservancy may provide up to one hundred thousand dollars ($100,000) of the cost of preparing local coastal restoration plans.

SEC. 2. Section 31257 of the Public Resources Code is amended to read:

31257. Following approval of a proposed coastal resource

enhancement project by the conservancy, the conservancy may provide up to one hundred thousand dollars ($100,000) of the cost of preparing local coastal resource enhancement plans.

SEC. 3. Section 31309 of the Public Resources Code is amended to read:

31309. (a) Following approval of a proposed urban waterfront project by the conservancy, the conservancy may provide up to one hundred thousand dollars ($100,000) of the cost of preparing urban waterfront restoration plans. In addition, the conservancy may make loans to public agencies or nonprofit organizations, or any combination thereof, for the full cost of preparing an urban waterfront restoration plan, if both of the following are satisfied:

(1) Funding for those loans is provided for in the Budget Act.

(2) The cost of preparation of a plan is included in the cost of a project approved for funding pursuant to Division 22 (commencing with Section 32000).

(b) The loans shall be repaid when the bonds funding the project are sold and upon terms and at a rate of interest which recovers the costs of the funds to the state.

SEC. 4. Section 31352.5 of the Public Resources Code is amended to read:

31352.5. Where a nonprofit organization is better situated than the conservancy to acquire temporarily a site for later acquisition by a federal, state, or local public agency, the conservancy may loan the nonprofit organization the necessary funds to accomplish the acquisition. As a condition of that loan, the nonprofit organization shall adhere to the procedures and restrictions of this chapter in accomplishing the acquisition.

CHAPTER 281

An act to add a chapter heading to, and to add and repeal Chapter 2 (commencing with Section 20050) of, Division 10 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 30, 1989. Filed with Secretary of State August 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that traffic gridlock is an increasingly complex problem which affects the economic growth of the state and the health and welfare of the general population. It is the intent of the Legislature, in response to the January 1989 Urban Freeway Gridlock Study: Summary Report, authorized by Assembly Bill No. 1257 (Chapter 1331, Statutes of 1987), to create a statewide Incident Response Management Program Advisory Committee for the purpose of developing a

coordinated approach to incident response management to alleviate urban gridlock.

SEC. 2. A chapter heading is added to Division 10 (commencing with Section 20000) of the Vehicle Code, immediately preceding Section 20000, to read:

CHAPTER 1. ACCIDENTS AND ACCIDENT REPORTS

SEC. 3. Chapter 2 (commencing with Section 20050) is added to Division 10 of the Vehicle Code, to read:

CHAPTER 2. INCIDENT RESPONSE MANAGEMENT PROGRAM

20050. (a) The Department of Transportation and the Department of the California Highway Patrol shall establish an advisory committee to develop a statewide Incident Response Management Program to respond to freeway incidents.

(b) The departments and the advisory committee shall focus on, but not be limited to, the following incident and information management techniques:

(1) Increased automated detection and monitoring of accidents.

(2) Use of changeable message signs, highway advisory radio, and other motorist information devices to notify commuters of accidents and suggest alternate routes.

(3) Use of closed circuit television to provide rapid verification of incidents and to monitor incident removal operations.

(4) Increased tow truck service.

(5) Continue working with interested counties to install additional call boxes.

(6) Use of ramp metering to maintain the flow of traffic.

(7) Purchase or leasing of specialized equipment to remove or clear commercial vehicles involved in an incident more quickly and efficiently.

(8) Improved coordination and cooperation with local entities.

(c) The departments and the advisory committee shall also consider traffic congestion problems related to the citing of motorists on the highway during peak traffic periods and potential solutions for reducing this congestion.

20051. The advisory committee shall, not later than January 1, 1991, submit to the Legislature a report on its activities, including the committee's recommendations.

20052. This chapter shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

CHAPTER 282

An act to amend Section 4011.1 of the Penal Code, relating to prisoners.

[Approved by Governor August 30, 1989 Filed with Secretary of State August 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4011.1 of the Penal Code is amended to read:

4011.1. (a) Notwithstanding Section 29602 of the Government Code and any other provisions of this chapter, a county, city or the Department of the Youth Authority is authorized to make claim for and recovery of the costs of necessary hospital, medical, surgical, dental, or optometric care rendered to any prisoner confined in a county or city jail or any juvenile confined in a detention facility, who would otherwise be entitled to that care under the Medi-Cal Act (Chapter 7 (commencing with Section 14000) Part 3, Division 9, Welfare and Institutions Code), and who is eligible for that care on the first day of confinement or detention, to the extent that federal financial participation is available, or under the provisions of any private program or policy for that care, and the county, city or the Department of the Youth Authority shall be liable only for the costs of that care as cannot be recovered pursuant to this section. No person who is eligible for Medi-Cal shall be eligible for benefits under the provisions of this section, and no county or city or the Department of the Youth Authority is authorized to make a claim for any recovery of costs for services for that person, unless federal financial participation is available for all or part of the costs of providing services to that person under the Medi-Cal Act.

Notwithstanding any other provision of law, any county or city making a claim pursuant to this section and under the Medi-Cal Act shall reimburse the Health Care Deposit Fund for the state costs of paying those medical claims. Funds allocated to the county from the County Health Services Fund pursuant to Part 4.5 (commencing with Section 16700) of Division 9 of the Welfare and Institutions Code may be utilized by the county or city to make that reimbursement.

(b) Notwithstanding Section 29602 of the Government Code and any other provisions of this chapter, to the extent that recovery of costs of necessary hospital, medical, surgical, dental, or optometric care are not accomplished under subdivision (a), a county, city, or the Department of the Youth Authority is authorized to make claim for and recover from a prisoner or a person legally responsible for a prisoner's care and maintenance the costs of necessary hospital, medical, surgical, dental, or optometric care rendered to any prisoner confined in a county or city jail, or any juvenile confined in

a detention facility, where the prisoner or the person legally responsible for the prisoner's care and maintenance is financially able to pay for the prisoner's care, support, and maintenance. Nothing in this subdivision shall be construed to authorize a city, a county, or the Department of the Youth Authority to make a claim against a spouse of a prisoner.

(c) Necessary hospital, medical, dental, or optometric care, as used in this section, does not include care rendered with respect to an injury occurring during confinement in a county or city jail or juvenile detention facility, nor does it include any care or testing mandated by law.

(d) Subdivisions (b) and (c) shall apply only where there has been a determination of the present ability of the prisoner or responsible third party to pay all or a portion of the cost of necessary hospital, medical, surgical, dental, or optometric care. The person legally responsible for the prisoner's care shall provide a financial disclosure statement, executed under penalty of perjury, based on his or her past year's income tax return, to the Department of the Youth Authority. The city, county, or Department of the Youth Authority may request that the prisoner appear before a designated hearing officer for an inquiry into the ability of the prisoner or responsible third party to pay all or part of the cost of the care provided.

(e) Notice of this request shall be provided to the prisoner or responsible third party, which shall contain the following:

(1) A statement of the cost of the care provided to the prisoner.

(2) The prisoner's or responsible third party's procedural rights under this section.

(3) The time limit within which the prisoner or responsible third party may respond.

(4) A warning that if the prisoner or responsible third party fails to appear before, or respond to, the designated officer, the officer may petition the court for an order requiring him or her to make payment of the full cost of the care provided to the prisoner.

(f) At the hearing, the prisoner or responsible third party shall be entitled to, but shall not be limited to, all of the following rights:

(1) The right to be heard in person.

(2) The right to present witnesses and documentary evidence.

(3) The right to confront and cross-examine adverse witnesses.

(4) The right to have adverse evidence disclosed to him or her.

(5) The right to a written statement of the findings of the designated hearing officer.

(g) If the hearing officer determines that the prisoner or responsible third party has the present ability to pay all or a part of the cost, the officer shall set the amount to be reimbursed, and shall petition the court to order the prisoner or responsible third party to pay the sum to the city, county, or state, in the manner in which it finds reasonable and compatible to the prisoner's or responsible third party's financial ability. The courts order shall be enforceable in the manner provided for money judgments in a civil action under the

Code of Civil Procedure.

(h) At any time prior to satisfaction of the judgment rendered according to the terms of this section, a prisoner or responsible third party against whom a judgment has been rendered, may petition the rendering court for a modification of the previous judgment on the grounds of a change of circumstance with regard to his or her ability to pay the judgment. The prisoner or responsible third party shall be advised of this right at the time the original judgment is rendered.

(i) As used in this section, "Ability to pay" means the overall capacity of the prisoner or responsible third party to reimburse the costs, or a portion of the costs, of the care provided to the prisoner, and shall include, but not be limited to, all of the following:

(1) The prisoner's or responsible third party's present financial position.

(2) The prisoner's or responsible third party's discernible future financial position.

(3) The likelihood that the prisoner or responsible third party will be able to obtain employment in the future.

(4) Any other factor or factors which may bear upon the prisoner's or responsible third party's financial position.

CHAPTER 283

An act to amend Sections 6555, 6555.5, 15365, and 27032 of the Elections Code, relating to elections.

[Approved by Governor August 30, 1989 Filed with Secretary of State August 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 6555 of the Elections Code is amended to read:

6555. (a) Notwithstanding any other provision of this article, a candidate may submit a petition containing signatures of registered voters in lieu of a filing fee as follows:

(1) For the office of California State Assembly, 1,500 signatures.

(2) For the office of California State Senate and the United States House of Representatives, 3,000 signatures.

(3) For candidates running for statewide office, 10,000 signatures.

(4) For all other offices for which a filing fee is required, if the number of registered voters in the district in which he seeks nomination is 2,000 or more, a candidate may submit a petition containing four signatures of registered voters for each dollar of the filing fee, or 10 percent of the total of registered voters in the district in which he seeks nomination, whichever is less.

(5) For all other offices for which a filing fee is required, if the number of registered voters in the district in which he or she seeks

nomination is less than 2,000, a candidate may submit a petition containing four signatures of registered voters for each dollar of the filing fee, or 20 percent of the total of registered voters in the district in which he or she seeks nomination, whichever is less.

(6) Notwithstanding any other provision of this section, a candidate seeking the nomination of a qualified party with whom he or she is registered, the registered voters of which who were eligible to vote at the last statewide election constituted less than 5 percent of all registered voters eligible to vote at the last statewide election, may submit a petition containing signatures of 10 percent of the registered voters of that party in the district in which he seeks nomination, or 150 signatures, whichever is less.

(7) A voter may sign both a candidate's nomination papers and his or her in-lieu-filing-fee petition. However, if signatures appearing on the documents are counted towards both the nomination paper and the in-lieu-filing-fee petition signature requirements, a person may only sign one of the documents.

(b) Each clerk shall furnish to each candidate, upon request, and without charge therefor, forms for securing signatures. The number of forms which a clerk shall furnish a candidate shall be a quantity which provides the candidates with spaces for signatures sufficient in number to equal the number of signatures which the candidate is required to secure pursuant to subdivision (a) if the candidate desires that number of forms. However, the clerk may, rather than provide the candidate with the number of forms set forth in the preceding sentence, or, upon the request of a candidate, provide the candidate with a master form, which may be duplicated by the candidate at the candidate's expense for the purpose of circulating additional petitions. The Secretary of State shall prescribe the format of the master form. All forms shall be made available commencing 45 days before the first day for circulating nomination papers. However, in cases of vacancies for which a special election is authorized or required to be held to fill the vacancy, and where the prescribed nomination period would commence less than 45 days after the creation of the vacancy, the forms shall be made available within five working days after the creation of the vacancy. No other form except the form furnished by the county clerk or forms duplicated from a master form shall be used to secure signatures. Each petition section shall bear an affidavit signed by the circulator, in substantially the same form as set forth in Section 6494. The substitution of signatures for fees shall be subject to the following provisions:

(1) Any registered voter may sign an in-lieu-filing-fee petition for any candidate for whom he or she is eligible to vote.

(2) If a voter signs more candidates' petitions than there are offices to be filled, the voter's signatures shall be valid only on those petitions which, taken in the order they were filed, do not exceed the number of offices to be filled.

(3) In-lieu-filing-fee petitions shall be filed at least 15 days prior to

the close of the nomination period. Upon receipt of the minimum number of in-lieu-filing-fee signatures required, or a sufficient combination of signatures and pro rata filing fee, the clerk shall issue nomination papers provisionally. Within 10 days after receipt of a petition, the clerk shall notify the candidate of any deficiency. The candidate shall then, prior to the close of the nomination period, either submit a supplemental petition, or pay a pro rata portion of the filing fee, to cover the deficiency.

(4) If the petition is circulated for an office in more than one county, the candidate shall submit the signatures to the county clerk in the county in which the petition was circulated. The county clerk shall at least two days after verifying the signatures on the petition, notify the Secretary of State of the total number of valid signatures. If the number of signatures is insufficient, the Secretary of State shall notify the candidate and the county clerks of the fact. The candidate may submit the necessary number of valid signatures at any time prior to the close of the period for circulating nomination papers. Each circulator of an in-lieu-filing-fee petition shall be a registered voter of the district or political subdivision in which the candidate is to be voted on. The circulator shall serve within the county in which he or she resides.

(5) Each candidate may submit a greater number of signatures to allow for subsequent losses due to invalidity of some signatures. The clerk shall not be required to determine the validity of a greater number of signatures than that required by this section.

(c) For the purposes of this section, the requisite number of signatures shall be computed from the latest registration figures forwarded to the Secretary of State pursuant to Section 607 prior to the first day on which petitions are available.

(d) All valid signatures obtained pursuant to this section shall be counted towards the number of voters required to sign a nomination paper in accordance with Section 6494.1 or 6834.1.

SEC. 2. Section 6555.5 of the Elections Code is amended to read:

6555.5. If the number of signatures affixed to an in-lieu filing fee petition filed pursuant to Section 6555 is 100 or more, the clerk may use a random sampling technique for verification of the signatures. If a random sampling technique is used and the number of signatures on a petition is 100 or more but less than 2,000, the random sampling shall include an examination of 100 signatures. If the number of signatures on a petition is 2,000 or more, the random sampling shall include an examination of 5 percent of the signatures. Upon completion of the verification of signatures in the sample, the percentage of signatures which are valid shall be applied and projected to the total number of signatures submitted.

SEC. 3. Section 15365 of the Elections Code is amended to read:

15365. Before adjourning, the precinct board shall seal the operating lever with the seal provided and lock the machine so that the voting and counting mechanism may not be operated.

It shall remain locked and sealed against operation until the time

for filing a contest of election has expired, which shall not exceed a period of 30 days following the declaration of the result of the election by the body canvassing the returns.

SEC. 4. Section 27032 of the Elections Code is amended to read:

27032. (a) The petition sections shall be designed so that each signer shall personally affix his or her:

(1) Signature.

(2) Printed name.

(3) Residence address, giving street and number, or if no street or number exists, adequate designation of residence so that the location may be readily ascertained.

(4) Name of incorporated city or unincorporated community.

(b) A margin, at least one inch wide, shall be left blank across the top of each page of the petition. A margin, at least one-half inch wide, shall be left blank along the bottom of each side of the petition.

(c) A space, at least one inch wide, shall be left blank after each name for the use of the clerk in verifying the petition.

CHAPTER 284

An act to amend Section 9002 of the Fish and Game Code, relating to lobster traps.

[Approved by Governor August 30, 1989 Filed with Secretary of State August 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 9002 of the Fish and Game Code is amended to read:

9002. (a) Except as provided in subdivisions (b), (c), and (d), it is unlawful to willfully or recklessly disturb, move, or damage any trap which belongs to another person and which is marked with a buoy identification number pursuant to Section 9006.

(b) A person, who has been issued a general trap permit under Section 9001 and has it in his or her possession, may pull or raise a trap marked with a buoy, if the buoy is marked with a buoy identification number pursuant to subdivision (b) of Section 9006. A person pulling or raising a trap marked with a buoy identification number, other than his or her own buoy identification number, shall have written permission in his or her possession from the other person who holds the buoy identification number that is marked on the buoy.

(c) Subdivision (a) does not apply to employees of the department while engaged in the performance of official duties.

(d) Subdivision (a) does not apply to publicly employed safety personnel, including, but not limited to, lifeguards, marine safety officers, harbor patrol officers, and peace officers, who, while

engaged in the performance of their official duties, may remove a trap, buoy, or line located in or near breaking surf or adjacent to a public beach which they believe poses a public safety hazard. If any of those persons remove a trap, a buoy, or a trap or buoy line, any captured marine life shall be immediately returned to the ocean. Persons removing a trap or buoy, or a trap or buoy line, shall report to the department the buoy identification number for the purposes of identifying the owner. The person removing the trap or buoy, or trap or buoy line, shall notify the owner of its removal and the location where it can be reclaimed. This subdivision does not create any duty on any state or local agency to remove or move a trap, line, or buoy which may endanger the public safety and does not create any liability pursuant to Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code.

CHAPTER 285

An act to amend Section 91503 of the Government Code, relating to economic development.

[Approved by Governor August 30, 1989 Filed with Secretary of State August 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 91503 of the Government Code is amended to read:

91503. The property acquired pursuant to this article shall be suitable for, or shall evidence an obligation respecting, certain activities or uses. The activities or uses shall include one or more of the activities or uses described in subdivision (a) and, unless incidental to those activities or uses, shall not include any of the activities described in, and not excepted from, subdivision (b).

(a) (1) Industrial uses including, without limitation, assembling, fabricating, manufacturing, processing, or warehousing activities with respect to any products of agriculture, forestry, mining, or manufacture, if these activities have demonstrated job creation or retention potential.

(2) Energy development, production, collection, or conversion from one form of energy to another.

(3) Research and development activities relating to commerce or industry, including, without limitation, professional, administrative, and scientific office and laboratory activities or uses.

(4) Land acquisition and development of property for use in automotive sales and service and related activities by the industrial development authorities of cities with populations of less than 50,000 persons in a county of the eighth class.

(5) Processing or manufacturing recycled or reused products and

materials by manufacturing facilities.

(b) (1) Residential real property for family unit or other housing activities.

(2) Airport, dock, wharf, or mass commuting activities, or storage or training activities related to any thereof.

(3) Sewage or solid waste disposal activities or electric energy or gas furnishing activities, unless the property acquired is suitable for one or more of the activities described in paragraph (2) of subdivision (a) and is not described in Section 142(f) of the Internal Revenue Code of 1986, as amended.

(4) Water furnishing activities.

(5) Any activities of persons qualifying as exempt persons under Section 501 of the Internal Revenue Code of 1986, as amended, undertaken by those persons, other than activities constituting an unrelated trade or business as described in Section 513 of that code.

CHAPTER 286

An act to amend Section 17740.1 of the Education Code, relating to school facilities.

[Approved by Governor August 30, 1989. Filed with Secretary of State August 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17740.1 of the Education Code is amended to read:

17740.1. (a) The allowable building area of any project, as calculated under this article, may be increased by any applicant school district, where the increase is funded exclusively from sources other than any state programs administered by the State Allocation Board. Any increase in building area pursuant to this section in a project for which construction commenced on or after January 1, 1987, not to exceed 110 percent of the area that would be allowed under applicable state standards, shall be excluded from the calculation of the area of adequate school construction for the purposes of all subsequent project applications by the district under this chapter.

(b) The maximum building cost permitted for any project under this article may be increased, by not more than 10 percent, by any applicant school district, where the increase is funded by the district exclusively from the proceeds of a general obligation bond measure approved by the voters of the district or of a special tax pursuant to the formation of a community facilities district under Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code, or both. In order to qualify for this purpose, any tax or other charge authorized pursuant to that

approval or formation, respectively, shall apply uniformly to all taxpayers or all real property within the school district, rather than to a particular class of property or taxpayers, and shall require that the amount of the school facilities fee or other requirement that may be levied by the school district pursuant to Section 53080 of the Government Code, in addition to that tax or other charge, not exceed the amount deemed by the governing board to be necessary for the interim school facilities needs of the district.

(c) The restriction set forth in subdivision (b) upon the amount of a school facilities fee or other requirements levied pursuant to Section 53080 of the Government Code shall not be deemed to reduce the amount of the district matching share required under Section 17705.5 for any project for which maximum building cost is increased pursuant to that subdivision.

CHAPTER 287

An act to amend Section 8553 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor August 30, 1989 Filed with Secretary of State August 31, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8553 of the Food and Agricultural Code is amended to read:

8553. (a) A district may pay limited compensation to the owner of any citrus tree infected with citrus tristeza virus, and the owner of any stone or pome fruit tree infected with apple maggot, which is removed by the district or by the owner within 60 days after written notice of the infection to the owner by the district. The limited compensation shall not exceed the following payment schedule, with the age of the tree being conclusively established as of the time written notice of the infection is first given to the owner.

(b) The schedule of payments is as follows:

Age of trees	Maximum payment
1 year	$ 5 per tree
2 years	7.50 per tree
3 years	10 per tree
4 years	14 per tree
5 years	17.50 per tree
6 years	20.75 per tree
7 years or older	25 per tree

(c) For the purposes of this section, the holder of the record title of the real property on which the trees are located shall be

considered to be the owner of the citrus, stone, or pome fruit trees to whom written notice of infection is given.

(d) The written notice referred to in subdivision (a) shall be a written or printed document labeled "Notice of Infection," addressed to the owner and informing the owner of the existence of the infected trees, their location, and that they should be removed forthwith.

(e) For the purposes of determining the age of infected citrus, stone, or pome fruit trees under this section, trees shall be considered one year old as of the January 1st succeeding the calendar year in which they are planted, and shall be deemed one year older on the January 1st of each succeeding year.

CHAPTER 288

An act to add Section 1002 to the Business and Professions Code, relating to chiropractic.

[Approved by Governor August 30, 1989. Filed with Secretary of State August 31, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1002 is added to the Business and Professions Code, to read:

1002. Whenever any person has engaged in or is about to engage in any acts or practices which constitute or will constitute an offense against the Chiropractic Act or its rules or regulations, the superior court of any county, on application of the State Board of Chiropractic Examiners, or on application of 10 or more persons licensed under the Chiropractic Act may issue an injunction or other appropriate order restraining that conduct. Proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure.

CHAPTER 289

An act to amend Section 89001 of the Education Code, relating to postsecondary education.

[Approved by Governor September 1, 1989 Filed with Secretary of State September 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. The campus of the California State University established in the northern portion of San Diego County, shall be

designated the California State University, San Marcos.

SEC. 2. Section 89001 of the Education Code is amended to read:

89001. The California State University includes the institutions for higher education whose locations are listed in this section.

(a) San Jose.
(b) San Francisco.
(c) Chico.
(d) Humboldt.
(e) San Diego.
(f) Fresno.
(g) California Polytechnic State University, San Luis Obispo.
(h) California State Polytechnic University, at or near the Cities of San Dimas and Pomona.
(i) Long Beach.
(j) Los Angeles.
(k) Sacramento.
(*l*) Hayward.
(m) San Fernando Valley.
(n) Fullerton.
(o) Stanislaus.
(p) Sonoma.
(q) San Bernardino.
(r) Dominguez Hills.
(s) Contra Costa.
(t) Kern.
(u) Redwood City.
(v) Ventura.
(w) San Marcos.

CHAPTER 290

An act to amend Section 42201.6 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 5, 1989. Filed with Secretary of State September 5, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 42201.6 of the Vehicle Code is amended to read:

42201.6. (a) A deposit of bail received with respect to an infraction violation of this code, or any local ordinance adopted pursuant to this code, including, but not limited to, a violation involving the standing or parking of a vehicle, shall be refunded by the agency which issued the notice of violation or the court within 30 days of a cancellation, dismissal, or finding of not guilty of the offense charged.

(b) Multiple or duplicate deposits of bail or parking penalty shall be identified by the court or agency and refunded within 30 days of identification.

(c) Any amount to be refunded in accordance with subdivision (a) or (b) shall accrue interest, at the rate specified in Section 3289 of the Civil Code, on and after the 60th day of a cancellation, dismissal, or finding of not guilty or identification of multiple or duplicate deposits, and shall be refunded as soon as possible thereafter along with accrued interest.

CHAPTER 291

An act to amend Section 2090 of the Financial Code, relating to financial institutions.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2090 of the Financial Code is amended to read:

2090. (a) Nothing in this division restricts the right of any bank organized under the laws of this state to convert into a national banking association upon compliance with the appropriate laws of the United States.

(b) The national banking association, within 60 days after the conversion, shall file an officers' certificate pursuant to Section 173 of the Corporations Code with the Secretary of State, which shall recite the name of the bank, as organized under the laws of this state, the name of the national banking association, the effective date of the conversion, and that the conversion has been completed in compliance with the requirements of federal law. The Secretary of State shall enter the fact of the conversion on the Secretary of State's corporation records for the state bank and the state bank corporation shall thereafter not be deemed to be a corporation organized under the laws of this state.

(c) As to all conversions, whether completed prior to or on or after January 1, 1990, if an officers' certificate has not been filed pursuant to subdivision (b) within 60 days after the completion of the conversion, the superintendent may file a report with the Secretary of State setting forth, to the extent the superintendent has knowledge he or she considers reliable, the recitals specified in subdivision (b), and the Secretary of State shall record the fact of the conversion with the same effect as provided in subdivision (b).

CHAPTER 292

An act to amend Section 75027 of the Government Code, relating to the Judges' Retirement System.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 75027 of the Government Code is amended to read:

75027. Any judge whose term of office expires within 60 days before he or she has rendered the minimum service required for retirement at his or her age shall be deemed to have rendered that minimum service.

Any judge whose term of office expires within 60 days before he or she attains the age required for his or her retirement, shall be deemed to have attained that age at any time during the 60-day period immediately preceding his or her actual attainment of that age.

CHAPTER 293

An act to amend Section 4526 of the Government Code, relating to public contracts.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 6, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 4526 of the Government Code is amended to read:

4526. Notwithstanding any other provision of law, selection by a state or local agency head for professional services of private architectural, engineering, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In order to implement this method of selection, state agency heads contracting for private architectural, professional engineering, land surveying, and construction project management services shall adopt by regulation, and local agency heads contracting for private architectural, professional engineering, land surveying, and construction project management services may adopt by ordinance, procedures that assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be

performed and at fair and reasonable prices to the public agencies. Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Section 14837.

SEC. 2. The amendment made to Section 4526 of the Government Code by Section 1 of this act does not constitute a change in, but is declaratory of, the existing law.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 294

An act to add Sections 1102.15 and 1940.7 to the Civil Code, relating to real property.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1102.15 is added to the Civil Code, to read:

1102.15. The seller of residential real property subject to this article who has actual knowledge of any former federal or state ordnance locations within the neighborhood area shall give written notice of that knowledge as soon as practicable before transfer of title.

For purposes of this section, "former federal or state ordnance locations" means an area identified by an agency or instrumentality of the federal or state government as an area once used for military training purposes which may contain potentially explosive munitions. "Neighborhood area" means within one mile of the residential real property.

The disclosure required by this section does not limit or abridge any obligation for disclosure created by any other law or that may exist in order to avoid fraud, misrepresentation, or deceit in the transfer transaction.

SEC. 2. Section 1940.7 is added to the Civil Code, to read:

1940.7. (a) The Legislature finds and declares that the

December 10, 1983, tragedy in Tierra Santa, in which lives were lost as a result of a live munition exploding in a residential area that was formerly a military ordnance location, has demonstrated (1) the unique and heretofore unknown risk that there are other live munitions in former ordnance locations in California, (2) that these former ordnance locations need to be identified by the federal, state, or local authorities, and (3) that the people living in the neighborhood of these former ordnance locations should be notified of their existence. Therefore, it is the intent of the Legislature that the disclosure required by this section is solely warranted and limited by (1) the fact that these former ordnance locations cannot be readily observed or discovered by landlords and tenants, and (2) the ability of a landlord who has actual knowledge of a former ordnance location within the neighborhood of his or her rental property to disclose this information for the safety of the tenant.

(b) The landlord of a residential dwelling unit who has actual knowledge of any former federal or state ordnance locations in the neighborhood area shall give written notice to a prospective tenant of that knowledge prior to the execution of a rental agreement. In cases of tenancies in existence on January 1, 1990, this written notice shall be given to tenants as soon as practicable thereafter.

(c) For purposes of this section:

(1) "Former federal or state ordnance location" means an area identified by an agency or instrumentality of the federal or state government as an area once used for military training purposes and which may contain potentially explosive munitions.

(2) "Neighborhood area" means within one mile of the residential dwelling.

CHAPTER 295

An act to add Section 19286.9 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19286.9 is added to the Revenue and Taxation Code, to read:

19286.9. (a) Notwithstanding any other provision of law, the California Student Aid Commission may annually inform the Franchise Tax Board of the names and social security numbers of the following persons who have, as part of the Student Aid Application for California, signed an authorization in a form and manner mutually agreeable to the Franchise Tax Board and the California Student Aid Commission for the release by Franchise Tax Board of

tax information to the California Student Aid Commission:

(1) All applicants for, or recipients of, student financial aid.

(2) Parents of dependent applicants for, or recipients of, student financial aid.

(3) Spouses of applicants for, or recipients of, student financial aid.

(b) The California Student Aid Commission shall submit the names and social security numbers as authorized in subdivision (a) in the form and manner prescribed by the Franchise Tax Board.

(c) Upon receipt of this information, the Franchise Tax Board may provide the California Student Aid Commission, from state tax returns of individuals described in subdivision (a), their California adjusted gross income and the California income adjustments as are necessary to calculate their federal adjusted gross income, or any other information from their state tax return, that can be provided by the Franchise Tax Board through its automated process, that the California Student Aid Commission needs to administer the program for which the authorization was given.

(d) All versions of the Student Aid Application for California shall include the authorization described in subdivision (a). The Franchise Tax Board may from time to time audit these authorizations. All processors of the Student Aid Application for California shall provide the Franchise Tax Board with access to any records necessary for completing these audits. The Franchise Tax Board shall report all audit findings to the California Student Aid Commission.

(e) Any unwarranted disclosure or use of the tax information described in subdivision (c) by the California Student Aid Commission, or its employees and officers thereof, is a misdemeanor as provided in Section 19287.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 296

An act to add Section 11020 to, the Business and Professions Code, relating to subdivided land.

[Approved by Governor September 6. 1989. Filed with Secretary of State September 6, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 11020 is added to the Business and Professions Code, to read:

11020. (a) It shall be unlawful for any person to make, issue, publish, deliver, or transfer as true and genuine any public report which is forged, altered, false, or counterfeit, knowing it to be forged, altered, false, or counterfeit or to cause to be made or participate in the making, issuance, delivery, transfer, or publication of a public report with knowledge that it is forged, altered, false, or counterfeit.

(b) Any person who violates subdivision (a) is guilty of a public offense punishable by a fine not exceeding ten thousand dollars ($10,000) or by imprisonment in the state prison, or in the county jail not exceeding one year, or by both that fine and imprisonment.

(c) The penalty provided by this section is not an exclusive penalty, and does not affect any other penalty, relief, or remedy provided by law.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 297

An act to add Chapter 2.9 (commencing with Section 5699.10) to Part 2 of Division 5 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.9 (commencing with Section 5699.10) is

added to Part 2 of Division 5 of the Welfare and Institutions Code, to read:

CHAPTER 2.9. CLIENT SELF-HELP PROJECTS

5699.10. The counties may utilize funding pursuant to this part for establishing and maintaining any client self-help mental health projects as authorized in the county plan for mental health services.

CHAPTER 298

An act to amend Section 31680.2 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 6, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 31680.2 of the Government Code is amended to read:

31680.2. Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, for not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend his or her retirement allowance, and no deductions shall be made from his or her salary as contributions to this system.

CHAPTER 299

An act to amend Section 60.9 of the Labor Code, relating to occupational safety and health.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 6, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 60.9 of the Labor Code is amended to read:

60.9. There is within the Division of Occupational Safety and Health an occupational health unit and an occupational safety unit, which shall assist in the performance of occupational health functions and occupational safety functions, respectively, assigned to the

division by law. There is also within the occupational health unit an occupational carcinogen control unit responsible for implementing the division's obligations pursuant to the Occupational Carcinogens Control Act of 1976 (Part 10 (commencing with Sec. 9000)). The division, in performing its responsibilities under this code, shall provide for laboratory services and service personnel with respect to occupational health matters by interagency agreement with the State Department of Health Services or another public entity, by contract with a private sector laboratory, or by establishment of a laboratory within the division, or by a combination thereof. In the event that the division contracts with the private sector for laboratory services, the division shall enter into an interagency agreement with the State Department of Health Services for quality control and performance evaluation of the contract laboratory as well as analysis of nonroutine laboratory samples.

CHAPTER 300

An act to amend Section 25000 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25000 of the Business and Professions Code is amended to read:

25000. Each manufacturer, importer, and wholesaler of beer shall file and thereafter maintain on file with the department, in such form as the department may provide, a written schedule of selling prices charged by the licensee for beer sold and distributed by the licensee to customers in California, except that the transfer, including the sale, of beer between wholesalers who sell the same brand in package is permitted without filing the schedule of selling prices. All prices filed shall be for immediate delivery. Each manufacturer, importer, and wholesaler of beer shall file a price schedule for each county in which his or her customers have their premise, whether the price which is posted is f.o.b. or delivered, or both. Different prices for different trading areas within a county shall be based upon natural geographical differences justifying the different prices, and shall not be established for special customers. This section shall not affect or alter any provisions of law concerning quantity discounts on beer.

CHAPTER 301

An act to amend Section 1596.87 of, and to add Sections 1596.815, 1596.842, 1596.843, 1596.844, and 1596.869 to, the Health and Safety Code, relating to child day care facilities.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and delares that the present crisis in child day care necessitates strong child advocacy and emphasis on promoting a child care system with high standards and quality staffing requirements to ensure a healthy and secure environment for children.

SEC 2. Section 1596.815 is added to the Health and Safety Code, to read:

1596.815. The department shall, on or before December 31, 1991, review all child care regulations of the department with respect to clarifying or eliminating vagueness and shall issue revised regulations if necessary to correct those defects.

SEC. 3. Section 1596.842 is added to the Health and Safety Code, to read:

1596.842. Following approval by the department of a list of provider rights, the Community Care Licensing Division shall print and distribute in person, to individuals or to groups, and by other appropriate methods of distribution, a list of provider rights which shall include, but not be limited to, the following:

(a) Site visit rights:

(1) The right to require licensing field staff to identify themselves.

(2) The right to be advised of the type of the visit, whether renewal, complaint, plan of correction, prelicensing, or some other type. When a site visit is made to investigate a complaint, the site visit rights described in paragraphs (4) and (9) shall be applicable at the completion of the investigation.

(3) The right to be treated as a professional and with dignity and respect.

(4) The right to receive an accurate report of the evaluator's findings listing each observed deficiency by a number which corresponds to law or licensing regulation.

(5) The right to review licensing laws, regulations, and policy.

(6) The right to an impartial investigation of all complaints.

(7) The right, at the time of the visit, to determine and develop a plan of correction for deficiencies cited.

(8) The right to use the licensing report (LIC 809) as a means to agree or disagree with cited deficiencies.

(9) The right to an exit interview upon completion of the visit and to receive a signed copy of the LIC 809.

(10) The right to be informed on the LIC 809 of the evaluator's supervisor and his or her telephone number.

(11) The right of access to the public file on any facility and the right to purchase a copy at a reasonable cost.

(b) Initial appeal rights:

(1) The right, without prejudice, to appeal any decision through the licensing agency up to the deputy director.

(2) The right to request a meeting with district office administrators to discuss any licensing issue and with notice to bring any person to the meeting.

(3) The right to due process and the option of bringing a representative to any administrative action.

SEC. 4. Section 1596.843 is added to the Health and Safety Code, to read:

1596.843. (a) Whenever a facility visit and a complaint investigation are conducted at the same time by the department, a separate licensing report shall be used to document the complaint investigation.

(b) The department shall review a random sample of licensing reports to evaluate the consistency of the application of regulations by different licensing program analysts.

SEC. 5. Section 1596.844 is added to the Health and Safety Code, to read:

1596.844. The department shall acknowledge in writing within 10 days of receipt, the request of a licensee to review notices of deficiency or penalty, or both.

SEC. 6. Section 1596.869 is added to the Health and Safety Code, to read:

1596.869. The Child Development Programs Advisory Committee shall review the regulation contained in Title 22 of the California Code of Regulations which prohibits the director of a combination program from inclusion in the teacher-child ratio when schoolage children are present. The advisory committee shall report to the department and the Legislature by March 1, 1990, on whether or not this regulation should be amended and, if so, shall recommend an appropriate standard by which a director may be included in the teacher-child ratio when a limited number of schoolage children are being served in a combination program.

SEC. 7. Section 1596.87 of the Health and Safety Code is amended to read:

1596.87. The department shall institute a staff development and training program within the organizational structure to develop among staff the knowledge, understanding of children and child care, and regulatory administration necessary to successfully carry out this act. Specifically, the department shall do all of the following:

(a) Provide staff with 36 hours of training per year which reflect the unique needs of children. The training shall include training relating to regulation administration, including communication skills, writing skills, and human relations skills.

(b) Find ways to encourage applications from individuals with child care provider experience or educational backgrounds applicable to the provision of child care.

(c) Provide new staff who have earned fewer than 16 semester units in child development or early childhood education from an accredited college at least 40 hours of preservice training in child development or early childhood education during the first 90 days of their employment.

(d) Submit for approval to the advisory committee established in Section 8286 of the Education Code a plan for meeting the provisions of subdivisions (a) and (c).

CHAPTER 302

An act to amend Sections 3356 and 3357 of, to add Section 3359 to, and to repeal and add Section 3358 of, the Business and Professions Code, relating to hearing aid dispensers.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3356 of the Business and Professions Code is amended to read:

3356. An applicant who has fulfilled the requirements of Section 3352 and has made application therefor, may have a temporary license issued to him or her upon satisfactory proof to the committee that the applicant holds a hearing aid dispenser's license in another state, that the licensee has not been subject to formal disciplinary action by another licensing authority, and that the applicant has been engaged in the fitting and sale of hearing aids for the two years prior to application. An individual licensed under this section shall take the first license examination which is administered after the temporary license has been held for 90 days. If the temporary licensee does not take the examination or fails any section of the examination, then he or she shall renew the temporary license under the provisions of Section 3357, subject to the requirements of that section.

SEC. 2. Section 3357 of the Business and Professions Code is amended to read:

3357. (a) An applicant who has fulfilled the requirements of Section 3352, and has made application therefor, and who proves to the satisfaction of the committee that he or she will be supervised and trained by a hearing aid dispenser who is approved by the committee may have a temporary license issued to him or her. The temporary license shall entitle the temporary licensee to fit or sell hearing aids as set forth in regulations of the committee. The supervising dispenser shall be responsible for any acts or omissions

committed by a temporary licensee under his or her supervision which may constitute a violation of this chapter.

(b) The committee shall adopt regulations setting forth criteria for its refusal to approve a hearing aid dispenser to supervise a temporary licensee, including procedures to appeal that decision.

(c) A temporary license issued pursuant to this section is effective and valid for six months from date of issue. The committee may renew the temporary license for an additional period of six months. The committee shall not issue more than two renewals of a temporary license to any applicant. If a temporary licensee who is entitled to renew a temporary license does not renew the temporary license and applies for a new temporary license at a later time, the new temporary license shall only be issued and renewed subject to the limitations set forth in this subdivision.

SEC. 3. Section 3358 of the Business and Professions Code is repealed.

SEC. 4. Section 3358 is added to the Business and Professions Code, to read:

3358. A temporary licensee under Section 3357 shall take the license examination within the first 10 months after the temporary license is issued. Failure to take the license examination within that time shall result in expiration of the temporary license, and it shall not be renewed unless the temporary licensee has first taken the licensure examination. The committee, however, may in its discretion renew the temporary license if the licensee failed to take the necessary examination due to illness or other hardship.

SEC. 5. Section 3359 is added to the Business and Professions Code, to read:

3359. (a) A temporary licensee shall not be the sole proprietor of, manage, or independently operate a business which engages in the fitting or sale of hearing aids.

(b) A temporary licensee shall not advertise or otherwise represent that he or she holds a license as a hearing aid dispenser

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CHAPTER 303

An act to amend Section 85202 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 85202 of the Government Code, as added by Proposition 73 at the 1988 direct primary election, is amended to read:

85202. (a) A candidate may only accept contributions from

persons, political committees, broad based political committees, and political parties and only in the amounts specified in Article 3 (commencing with Section 85300). A candidate shall not accept contributions from any other source.

(b) All contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate to the specific office for which the candidate has stated, pursuant to Section 85200, that he or she intends to seek or expenses associated with holding that office.

(c) In the event that the numerical reference to a district changes due to a reapportionment subsequent to a candidate declaring an intention to seek a specific office, the candidate may use the contribution raised under the old numbered district to seek office, and for office expenses, in the new numbered district.

(d) In the event that the boundaries of the district for a specific office change as a result of a reapportionment which is enacted after a candidate files a statement of intention to be a candidate for that specific office, the candidate may use any contributions received for that specific office for expenses associated with the election of the candidate to any other equivalent district office of the agency body which includes the specific office, at the next election for that other district office, and for expenses associated with holding that other district office.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 304

An act to add Section 18613.7 to the Health and Safety Code, relating to housing, and making an appropriation therefor.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18613.7 is added to the Health and Safety Code, to read:

18613.7. A permit shall be obtained from the enforcement agency each time an earthquake resistant bracing system is installed on any manufactured home or mobilehome. The enforcement agency shall inspect the installation of these bracing systems to ensure compliance with the regulations adopted by the department.

The department shall adopt regulations governing the installation of these bracing systems. The enforcement agency shall adopt a fee schedule which shall not exceed the costs of the issuance of the

permit and inspection required by this section.

SEC. 2. The sum of seventy thousand dollars ($70,000) is appropriated from the Mobilehome Park Revolving Fund established by Section 18502.5 of the Health and Safety Code, to the Department of Housing and Community Development for the 1989–90 fiscal year to be used for the purposes specified in Section 18613.7 of the Health and Safety Code.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

Moreover, no reimbursement is required by this act for other costs because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 305

An act to add Section 854.1 to the Financial Code, relating to real estate brokers.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 6, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 854.1 is added to the Financial Code, to read:

854.1. Notwithstanding Section 10145 of the Business and Professions Code or any other provision of law, but subject to the limitations of Section 854, benefits accruing from the placement in a demand deposit account of a commercial bank (including a national banking association) of funds received by a real estate broker who collects payments or provides services in connection with a loan secured by a lien on real property under subdivision (d) of Section 10131 or Section 10131.1 of the Business and Professions Code shall inure to the broker, unless otherwise agreed in writing by the broker and the lender or note owner on the loan. A borrower shall receive at least two percent simple interest per annum on impound account payments covered by Section 2954.8 of the Civil Code.

SEC. 2. Nothing in this act shall affect the permissibility of any deposit relationship or practice that is not expressly covered by

Section 854.1 of the Financial Code nor abrogate or modify in any manner the holdings of Hannon v. Western Title Insurance Company, 89 D.A.R. 8451.

CHAPTER 306

An act to amend Section 54993 of the Government Code, and to amend Sections 21671.5 and 21675 of, and to add Sections 21675.1, 21675.2, and 21679.5 to, the Public Utilities Code, relating to airports.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 54993 of the Government Code is amended to read:

54993. This chapter shall apply only to fees and charges as described in Sections 54990, 54991, 56383, 56654, 56655, 57004, 65104, 65456, 65863.7, 65909.5, and 66451.2 of this code, and in Sections 17951, 19132.3, and 19852 of the Health and Safety Code and in Section 21671.5 of the Public Utilities Code.

SEC. 2. Section 21671.5 of the Public Utilities Code is amended to read:

21671.5. (a) Except for the terms of office of the members of the first commission, the term of office of each member shall be four years and until the appointment and qualification of his or her successor. The members of the first commission shall classify themselves by lot so that the term of office of one member is one year, of two members is two years, of two members is three years, and of two members is four years. The body which originally appointed a member whose term has expired shall appoint his or her successor for a full term of four years. Any member may be removed at any time and without cause by the body appointing him or her. The expiration date of the term of office of each member shall be the first Monday in May in the year in which his or her term is to expire. Any vacancy in the membership of the commission shall be filled for the unexpired term by appointment by the body which originally appointed the member whose office has become vacant. The chairperson of the commission shall be selected by the members thereof.

(b) Compensation, if any, shall be determined by the board of supervisors.

(c) Staff assistance, including the mailing of notices and the keeping of minutes, and necessary quarters, equipment, and supplies shall be provided by the county. The usual and necessary operating expenses of the commission shall be a county charge.

(d) Notwithstanding any other provisions of this article, the

commission shall not employ any personnel either as employees or independent contractors without the prior approval of the board of supervisors.

(e) The commission shall meet at the call of the commission chairperson or at the request of the majority of the commission members. A majority of the commission members shall constitute a quorum for the transaction of business. No action shall be taken by the commission except by the recorded vote of a majority of the full membership.

(f) The commission may establish a schedule of fees for reviewing and processing proposals and for providing the copies of land use plans, as required by subdivision (d) of Section 21675. Those fees shall be charged to the proponents of actions, regulations, or permits, shall not exceed the estimated reasonable cost of providing the service, and shall be imposed pursuant to Chapter 13 (commencing with Section 54990) of Part 1 of Division 2 of Title 5 of the Government Code. After June 30, 1991, a commission which has not adopted the comprehensive land use plan required by Section 21675 shall not charge fees pursuant to this subdivision until the commission adopts the plan.

SEC. 3. Section 21675 of the Public Utilities Code is amended to read:

21675. (a) Each commission shall formulate a comprehensive land use plan that will provide for the orderly growth of each public airport and the area surrounding the airport within the jurisdiction of the commission, and will safeguard the general welfare of the inhabitants within the vicinity of the airport and the public in general. The commission plan shall include a long-range master plan that reflects the anticipated growth of the airport during at least the next 20 years. In formulating a land use plan, the commission may develop height restrictions on buildings, may specify use of land, and may determine building standards, including soundproofing adjacent to airports, within the planning area. The comprehensive land use plan shall be reviewed as often as necessary in order to accomplish its purposes, but shall not be amended more than once in any calendar year.

(b) The commission may include, within its plan formulated pursuant to subdivision (a), the area within the jurisdiction of the commission surrounding any federal military airport for all the purposes specified in subdivision (a). This subdivision does not give the commission any jurisdiction or authority over the territory or operations of any military airport.

(c) The planning boundaries shall be established by the commission after hearing and consultation with the involved agencies.

(d) The commission shall submit to the Division of Aeronautics of the department one copy of the plan and each amendment to the plan.

SEC. 4. Section 21675.1 is added to the Public Utilities Code, to

read:

21675.1. (a) By June 30, 1991, each commission shall adopt the comprehensive land use plan required pursuant to Section 21675.

(b) Until a commission adopts a comprehensive land use plan, a city or county shall first submit all actions, regulations, and permits within the vicinity of a public airport to the commission for review and approval. Before the commission approves or disapproves any actions, regulations, or permits, the commission shall give public notice in the same manner as the city or county is required to give for those actions, regulations, or permits. As used in this section, "vicinity" means land which will be included or reasonably could be included within the plan. If the commission has not designated a study area for the plan, then "vicinity" means land within two miles of the boundary of a public airport.

(c) The commission may approve an action, regulation, or permit if it finds, based on substantial evidence in the record, all of the following:

(1) The commission is making substantial progress toward the completion of the plan.

(2) There is a reasonable probability that the action, regulation, or permit will be consistent with the plan being prepared by the commission.

(3) There is little or no probability of substantial detriment to or interference with the future adopted plan if the action, regulation, or permit is ultimately inconsistent with the plan.

(d) If the commission disapproves an action, regulation, or permit, the commission shall notify the city or county. The city or county may overrule the commission, by a two-thirds vote of its governing body, if it makes specific findings that the proposed action, regulation, or permit is consistent with the purposes of this article, as stated in Section 21670.

(e) If a city or county overrules the commission pursuant to subdivision (d), that action shall not relieve the city or county from further compliance with this article after the commission adopts the plan.

(f) If a city or county overrules the commission pursuant to subdivision (d) with respect to a publicly owned airport that the city or county does not operate, the operator of the airport shall be immune from liability for damages to property or personal injury from the city's or county's decision to proceed with the action, regulation, or permit.

(g) A commission may adopt rules and regulations which exempt any ministerial permit for single-family dwellings from the requirements of subdivision (b) if it makes the findings required pursuant to subdivision (c) for the proposed rules and regulations, except that the rules and regulations may not exempt either of the following:

(1) More than two single-family dwellings by the same applicant within a subdivision prior to June 30, 1991.

(2) Single-family dwellings in a subdivision where 25 percent or more of the parcels are undeveloped.

SEC. 5. Section 21675.2 is added to the Public Utilities Code, to read:

21675.2. (a) If a commission fails to act to approve or disapprove any actions, regulations, or permits within 60 days of receiving the request pursuant to Section 21675.1, the applicant or his or her representative may file an action pursuant to Section 1094.5 of the Code of Civil Procedure to compel the commission to act, and the court shall give the proceedings preference over all other actions or proceedings, except previously filed pending matters of the same character.

(b) The action, regulation, or permit shall be deemed approved only if the public notice required by this subdivision has occurred. If the applicant has provided seven days advance notice to the commission of the intent to provide public notice pursuant to this subdivision, then, not earlier than the date of the expiration of the time limit established by Section 21675.1, an applicant may provide the required public notice. If the applicant chooses to provide public notice, that notice shall include a description of the proposed action, regulation, or permit substantially similar to the descriptions which are commonly used in public notices by the commission, the location of any proposed development, the application number, the name and address of the commission, and a statement that the action, regulation, or permit shall be deemed approved if the commission has not acted within 60 days. If the applicant has provided the public notice specified in this subdivision, the time limit for action by the commission shall be extended to 60 days after the public notice is provided. If the applicant provides notice pursuant to this section, the commission shall refund to the applicant any fees which were collected for providing notice and which were not used for that purpose.

(c) Failure of an applicant to submit complete or adequate information pursuant to Sections 65943 to 65946, inclusive, of the Government Code, may constitute grounds for disapproval of actions, regulations, or permits.

(d) Nothing in this section diminishes the commission's legal responsibility to provide, where applicable, public notice and hearing before acting on an action, regulation, or permit.

SEC. 6. Section 21679.5 is added to the Public Utilities Code, to read:

21679.5. (a) Until June 30, 1991, no action pursuant to Section 21679 to postpone the effective date of a zoning change, a zoning variance, the issuance of a permit, or the adoption of a regulation by a local agency, directly affecting the use of land within one mile of the boundary of a public airport, shall be commenced in any county in which the commission or other designated body has not adopted an airport land use plan, but is making substantial progress toward the completion of the plan.

(b) If a commission has been prevented from adopting the comprehensive land use plan by June 30, 1991, or if the adopted plan could not become effective, because of a lawsuit involving the adoption of the plan, the June 30, 1991, date in subdivision (a) shall be extended by the period of time during which the lawsuit was pending in a court of competent jurisdiction.

(c) Any action pursuant to Section 21679 commenced prior to January 1, 1990, in a county in which the commission or other designated body has not adopted an airport land use plan, but is making substantial progress toward the completion of the plan, which has not proceeded to final judgment, shall be held in abeyance until June 30, 1991. If the commission or other designated body adopts an airport land use plan on or before June 30, 1991, the action shall be dismissed. If the commission or other designated body does not adopt an airport land use plan on or before June 30, 1991, the plaintiff or plaintiffs may proceed with the action.

(d) An action to postpone the effective date of a zoning change, a zoning variance, the issuance of a permit, or the adoption of a regulation by a local agency, directly affecting the use of land within one mile of the boundary of a public airport for which an airport land use plan has not been adopted by June 30, 1991, shall be commenced within 30 days of June 30, 1991, or within 30 days of the decision by the local agency, or within the appropriate time periods set by Section 21167 of the Public Resources Code, whichever date is later.

SEC. 7. The Legislature finds and declares that the requirement for airport land use commissions to adopt comprehensive land use plans was adopted in 1970. The Legislature finds and declares that this act sets July 1, 1991, as the deadline for the commissions to adopt these required plans. The Legislature further finds and declares that this deadline provides sufficient time to the commissions to adopt these plans. Therefore, it is the intent of the Legislature not to reimburse airport land use commissions for costs incurred by the commissions after July 1, 1991, for the preparation of comprehensive land use plans pursuant to Article 3.5 (commencing with Section 21670) of Chapter 4 of Division 9 of the Public Utilities Code.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 307

An act to add Section 12599 to the Government Code, relating to fundraisers.

[Approved by Governor September 6, 1989 Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature to provide to the public and to charities in California the maximum protection against fraudulent and misleading charitable solicitation permissible under the United States Constitution. The Legislature declares that any person or corporation engaged in commercial activities who, for compensation, solicits funds in California for charitable purposes is, under California law, a constructive trustee for charitable purposes as to the funds collected and is legally accountable for all of the funds.

The Attorney General has primary responsibility for supervising charitable trusts in California, and has broad powers to protect charitable assets. To fulfill this reponsibility, the Attorney General maintains the Registry of Charitable Trusts, and requires registration and annual financial reporting by trustees for charitable purposes.

It is the intent of the Legislature in enacting Section 12599 of the Government Code that the Attorney General have primary responsibility for supervising commercial fundraisers for charitable purposes who solicit funds in California, and to require that commercial fundraisers for charitable purposes fully account, as constructive trustees for charitable purposes, for all funds collected as a result of solicitation for charitable purposes. Commercial fundraisers for charitable purposes shall register annually with the Attorney General and file annual financial reports accounting for all funds collected as a result of solicitation for charitable purposes. Commercial fundraisers for charitable purposes shall be subject to the Attorney General's supervision and enforcement over charitable assets to the same extent as trustees for charitable purposes.

SEC. 2. Section 12599 is added to the Government Code, to read:

12599. (a) "Commercial fundraiser for charitable purposes" is defined as any individual, corporation, or other legal entity who for compensation does either of the following:

(1) Solicits funds in this state for charitable purposes and who receives and controls the funds or assets solicited for charitable purposes.

(2) As a result of a solicitation of funds in this state for charitable purposes, receives and controls the funds or assets solicited for charitable purposes.

A commercial fundraiser for charitable purposes shall not include a "trustee" as defined in Section 12582 or 12583, a "charitable corporation" as defined in Section 12582.1, or any employee thereof.

A commercial fundraiser for charitable purposes shall not include a person who is an employee of a commercial fundraiser for charitable purposes registered with the Attorney General.

(b) A commercial fundraiser for charitable purposes shall, prior to soliciting any funds in California for charitable purposes, or prior to receiving and controlling any funds or assets as a result of a solicitation in this state for charitable purposes, register with the Attorney General's Registry of Charitable Trusts on a registration form provided by the Attorney General. Renewals of registration shall be filed with the Registry of Charitable Trusts by January 15 of each calendar year in which the commercial fundraiser for charitable purposes does business and shall be effective for one year. For 1990, a registration or renewal fee of two hundred dollars ($200) shall be required for registration of a commercial fundraiser for charitable purposes, and shall be payable by certified or cashier's check to the Attorney General's Registry of Charitable Trusts at the time of registration or renewal. The Attorney General may adjust the annual registration or renewal fee as needed to ensure that revenues will fully offset, but not exceed, the actual costs incurred by the Department of Justice pursuant to this section. The Attorney General's Registry of Charitable Trusts may grant extensions of time to file annual registration as required, pursuant to subdivision (b) of Section 12586.

(c) A commercial fundraiser for charitable purposes shall file with the Attorney General's Registry of Charitable Trusts an annual financial report on a form provided by the Attorney General, accounting for all funds collected pursuant to any solicitation for charitable purposes during the preceding calendar year. The annual financial report shall be filed with the Attorney General's Registry of Charitable Trusts no later than 30 days after the close of the preceding calendar year.

(d) The contents of the forms for annual registration and annual financial reporting by commercial fundraisers for charitable purposes shall be established by the Attorney General in a manner consistent with the procedures set forth in subdivisions (a) and (b) of Section 12586. The annual financial report shall require a detailed, itemized accounting of funds solicited for charitable purposes on behalf of each charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code or for each charitable purpose during the accounting period, and shall include, among other data, the following information for funds solicited by the commercial fundraiser for charitable purposes:

(1) Total revenue.

(2) The fee or commission charged by the commercial fundraiser for charitable purposes.

(3) Salaries paid by the commercial fundraiser for charitable purposes to its officers and employees.

(4) Fundraising expenses.

(5) Distributions to the identified charitable organization or

purpose.

(6) The names and addresses of any director, officer, or employee of the commercial fundraiser for charitable purposes who is a director, officer, or employee of any charitable organization listed in the annual financial report.

(e) It shall be unlawful for any commercial fundraiser for charitable purposes to solicit funds in this state for charitable purposes unless the commercial fundraiser for charitable purposes has complied with the registration or annual renewal and financial reporting requirements of this article. Failure to comply with these registration or annual renewal and financial reporting requirements shall be grounds for injunction against solicitation in this state for charitable purposes and other civil remedies provided by law.

(f) A commercial fundraiser for charitable purposes is a constructive trustee for charitable purposes as to all funds collected pursuant to solicitation for charitable purposes and shall account to the Attorney General for all funds. A commercial fundraiser for charitable purposes is subject to the Attorney General's supervision and enforcement over charitable funds and assets to the same extent as a trustee for charitable purposes under this article.

CHAPTER 308

An act to add Section 641.3 to the Penal Code, relating to crimes.

[Approved by Governor September 6, 1989. Filed with Secretary of State September 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 641.3 is added to the Penal Code, to read:

641.3. (a) Any employee who solicits, accepts, or agrees to accept money or any thing of value from a person other than his or her employer, other than in trust for the employer, corruptly and without the knowledge or consent of the employer, in return for using or agreeing to use his or her position for the benefit of that other person, and any person who offers or gives an employee money or any thing of value under those circumstances, is guilty of commercial bribery.

(b) This section does not apply where the amount of money or monetary worth of the thing of value is one hundred dollars ($100) or less.

(c) Commercial bribery is punishable by imprisonment in the county jail for not more than one year if the amount of the bribe is one thousand dollars ($1,000) or less, or by imprisonment in the county jail, or in the state prison for 16 months, or two or three years if the amount of the bribe exceeds one thousand dollars ($1,000).

(d) For purposes of this section:

(1) "Employee" means an officer, director, agent, trustee, partner, or employee.

(2) "Employer" means a corporation, association, organization, trust, partnership, or sole proprietorship.

(3) "Corruptly" means that the person specifically intends to injure or defraud (A) his or her employer, (B) the employer of the person to whom he or she offers, gives, or agrees to give the money or a thing of value, (C) the employer of the person from whom he or she requests, receives, or agrees to receive the money or a thing of value, or (D) a competitor of any such employer.

SEC. 2. This act does not apply to acts or practices involving financial institutions defined in Sections 102 and 3360 of the Financial Code to the extent that these acts or practices are prohibited by Chapter 18 (commencing with Section 3350) of Division 1 of the Financial Code.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 309

An act to amend Section 42285.1 of the Education Code, relating to the Chino Unified School District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1989 Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 42285.1 of the Education Code is amended to read:

42285.1. (a) For purposes of Section 42285, a necessary small high school includes the Boys Republic High School maintained by the Chino Unified School District in which the majority of the pupils are placed by court order and the enrollment of the school is less than 200 pupils. The total amount annually received by the Chino Unified School District pursuant to this section for the 1988–89 fiscal year and each fiscal year thereafter shall not exceed an amount equal to the sum of one hundred eighty thousand dollars ($180,000) plus the amount of revenue that the average daily attendance in the Boys

Republic High School would have generated pursuant to Section 42238 and paragraph (1) of subdivision (a) of Section 42238.5.

(b) The Chino Unified School District shall submit an annual report to the State Department of Education regarding the necessary small high school as defined in this section. The report shall include, but not be limited to, the number of pupils attending the school, the number of teachers teaching in the school, the number of days that classes were held in the school, and the type of program provided by the district.

(c) It is the intent of the Legislature that the Chino Unified School District receive funding as provided by this section commencing with the 1988–89 fiscal year and continuing in subsequent fiscal years.

SEC. 2. Due to the unique circumstances concerning the Chino Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Because the funding authorized by this bill is needed for the 1988–89 school year, it is necessary that this act take effect immediately.

CHAPTER 310

An act to amend Sections 29480 and 29630 of, to add Sections 29506, 29634, 29635, and 29636 to, and to repeal Section 14248 of, the Elections Code, relating to elections.

[Approved by Governor September 7, 1989. Filed with Secretary of State September 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 29480 of the Elections Code is amended to read:

29480. (a) No person, during any election, shall do any of the following:

(1) Remove or destroy any of the supplies or other conveniences placed in the voting booths or compartments for the purpose of enabling the voter to prepare his or her ballot.

(2) Remove, tear down, or deface the cards printed for the instruction of voters.

(3) Remove, tear, mark or otherwise deface any voter index with the intent to falsify or prevent others from readily ascertaining the name, address, or political affiliation of any voter, or the fact that a voter has or has not voted.

(4) Remove, tear down, or deface the signs identifying the location of a polling place or identifying areas within 100 feet of a polling place.

(b) Any person who violates any of the provisions of this section is guilty of a misdemeanor.

SEC. 1.5. Section 14248 of the Elections Code is repealed.

SEC. 2. Section 29506 is added to the Elections Code, to read:

29506. Any person other than an elections official or a member of the precinct board who receives a voted ballot from a voter or who examines or solicits the voter to show his or her voted ballot is punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the state prison for 16 months or two or three years or in a county jail not exceeding one year, or by both the fine and imprisonment. This section shall not apply to persons returning an absentee ballot pursuant to Sections 1013 and 1017 or persons assisting a voter pursuant to Section 14234.

SEC. 3. Section 29630 of the Elections Code is amended to read:

29630. (a) Every person who makes use of or threatens to make use of any force, violence, or tactic of coercion or intimidation, to induce or compel any other person to vote or refrain from voting at any election or to vote or refrain from voting for any particular person or measure at any election, or because any person voted or refrained from voting at any election or voted or refrained from voting for any particular person or measure at any election is guilty of a felony punishable by imprisonment in the state prison for 16 months or two or three years.

(b) Every person who hires or arranges for any other person to make use of or threaten to make use of any force, violence, or tactic of coercion or intimidation, to induce or compel any other person to vote or refrain from voting at any election or to vote or refrain from voting for any particular person or measure at any election, or because any person voted or refrained from voting at any election or voted or refrained from voting for any particular person or measure at any election is guilty of a felony punishable by imprisonment in the state prison for 16 months or two or three years.

SEC. 3.5. Section 29634 is added to the Elections Code, to read:

29634. (a) Any person in possession of a firearm or any uniformed peace officer, private guard, or security personnel or any person who is wearing a uniform of a peace officer, guard, or security personnel, who is stationed in the immediate vicinity of, or posted at, a polling place without written authorization of the appropriate city or county elections official is punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the state prison for 16 months or two or three years or in a county jail not exceeding one year, or by both the fine and imprisonment.

(b) This section shall not apply to any of the following:

(1) An unarmed uniformed guard or security personnel who is at the polling place to cast his or her vote.

(2) A peace officer who is conducting official business in the

course of his or her public employment or who is at the polling place to cast his or her vote.

(3) A private guard or security personnel hired or arranged for by a city or county elections official.

(4) A private guard or security personnel hired or arranged for by the owner or manager of the facility or property in which the polling place is located if the guard or security personnel is not hired or arranged solely for the day on which an election is held.

SEC. 4. Section 29635 is added to the Elections Code, to read:

29635. Any person who hires or arranges for any other person in possession of a firearm or any uniformed peace officer, private guard, or security personnel or any person who is wearing a uniform of a peace officer, guard, or security personnel, to be stationed in the immediate vicinity of, or posted at, a polling place without written authorization of the appropriate elections official is punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the state prison for 16 months or two or three years or in a county jail not exceeding one year, or by both the fine and imprisonment. This section shall not apply to the owner or manager of the facility or property in which the polling place is located if the private guard or security personnel is not hired or arranged solely for the day on which the election is held.

SEC. 5. Section 29636 is added to the Elections Code, to read:

29636. As used in this article:

(a) "Elections official" means county clerk, registrar of voters, or city clerk.

(b) "Immediate vicinity" means the area within a distance of 100 feet from the room or rooms in which the voters are signing the roster and casting ballots.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 311

An act to amend Section 457.1 of the Penal Code, relating to crimes.

[Approved by Governor September 7, 1989 Filed with Secretary of State September 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 457.1 of the Penal Code is amended to read:

457.1. (a) As used in this section, "arson" means a violation of Section 451 or 453.

(b) Upon a conviction of the offense of arson or attempted arson, the court may impose, in addition to any other penalty prescribed by law, a requirement that the person shall register with the chief of police of the city in which he or she resides, or with the sheriff of the county if he or she resides in an unincorporated area, within 30 days of coming into any county or city in which he or she expects to reside or is temporarily domiciled for at least 30 days. The court may require the person to register under this subdivision only if it finds any of the following:

(1) The person committing the offense has previously been convicted of a violation of Section 451 or 453.

(2) The person is convicted of multiple counts of Section 451 or 453, relating to different events or occurrences.

(3) The person in committing the offense exhibited compulsive behavior.

The court shall state on the record the reasons for its findings and the reasons for requiring or not requiring registration.

(c) Any person required to register pursuant to this section who is discharged or paroled from a jail, prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of arson shall, prior to the discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement. The official shall require the person to read and sign such form as may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The official in charge of the place of confinement shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official in charge of the place of confinement shall give one copy of the form to the person, and shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release; one copy to the prosecuting agency which prosecuted the person; and one copy to the

Department of Justice. The official in charge of the place of confinement shall retain one copy. All forms shall be transmitted within such times as to be received by the local law enforcement agency and prosecuting agency 30 days prior to the discharge, parole, or release of the person.

(d) Any person who is required to register pursuant to this section who is released on probation or discharged upon payment of a fine shall, prior to the release or discharge, be informed of his or her duty to register under this section by the court in which he or she has been convicted, and the court shall require the person to read and sign such form as may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The court shall obtain the address where the person expects to reside upon his or her release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, and shall send two copies to the Department of Justice, which, in turn, shall forward one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(e) The registration shall consist of (1) a statement in writing signed by the person, giving the information as may be required by the Department of Justice, and (2) the fingerprints and photograph of the person. Within three days thereafter, the registering law enforcement agency shall forward the statement, fingerprints, and photograph to the Department of Justice.

(f) If any person required to register by this section changes his or her residence address, he or she shall inform, in writing within 10 days, the law enforcement agency with whom he or she last registered of his or her new address. The law enforcement agency shall, within three days after receipt of the information, forward it to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency having local jurisdiction of the new place of residence.

(g) In the case of a person convicted for the first time of arson, the person shall be required to comply with the requirements of this section only for a period of five years after the discharge from prison, release from jail, or termination of probation or parole of the person convicted.

(h) Any person required to register under this section who violates any of the provisions thereof is guilty of a misdemeanor. Any person who has been convicted of arson or attempted arson and who is required to register under this section who willfully violates any of the provisions thereof is guilty of a misdemeanor and shall be sentenced to serve a term of not less than 90 days nor more than one year in the county jail. In no event does the court have the power to absolve a person who willfully violates this section from the obligation of spending at least 90 days of confinement in the county jail and of completing probation of at least one year.

(i) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the Board of Prison Terms, the Department of the Youth Authority, or the court, as the case may be, shall order the parole or probation of that person revoked.

(j) The statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace or other law enforcement officer.

(k) In any case in which a person who would be required to register pursuant to this section is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county, including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where that assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person temporarily released under guard from the institution where he or she is confined.

(*l*) Nothing in this section shall be construed to conflict with Section 1203.4 concerning termination of probation and release from penalties and disabilities of probation.

A person required to register under this section may initiate a proceeding under Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3, and upon obtaining a certificate of rehabilitation, shall be relieved of any further duty to register under this section. This certificate shall not relieve the petitioner of the duty to register under this section for any offense subject to this section of which he or she is convicted in the future.

SEC. 2. This act shall become operative on July 1, 1990.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 312

An act to add Section 5101.9 to the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1989. Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5101.9 is added to the Vehicle Code, to read:

5101.9. (a) Until December 31, 1991, any person described in Section 5101 may apply for a set of commemorative Bicentennial of the Bill of Rights reflectorized license plates and the department shall issue those special license plates in lieu of regular license plates. No commemorative Bicentennial of the Bill of Rights reflectorized license plates shall be issued pursuant to an application submitted on or after January 1, 1992, but the holder of those plates may thereafter renew or retain them, obtain substitute replacements for them, or transfer them to another vehicle, subject to this section. However, substitute replacement plates shall not be available on or after January 1, 1997. Thereafter, unless otherwise provided by law, regular series plates shall be issued for the fee provided in Section 9265 whenever substitute plates are required.

(b) The commemorative Bicentennial of the Bill of Rights reflectorized license plates shall be of a distinctive design and shall be available in a special series of letters or numbers, or both, as determined by the department.

(c) In addition to the regular fees for an original or renewal registration, the applicant shall be charged a fee of thirty-five dollars ($35).

(d) Notwithstanding Section 9265, the applicant for substitute commemorative Bicentennial of the Bill of Rights reflectorized license plates shall be charged a fee of thirty-five dollars ($35).

(e) Whenever any person who has been issued commemorative Bicentennial of the Bill of Rights reflectorized license plates applies to the department for transfer of the plates to another vehicle, a transfer fee of fifteen dollars ($15) shall be charged in addition to all other appropriate fees.

(f) Sections 5106 and 5108 do not apply.

SEC. 2. This act shall become operative July 1, 1990.

CHAPTER 313

An act to amend Sections 3519, 3543.5, and 3571 of the Government Code, relating to employment.

[Approved by Governor September 7, 1989. Filed with Secretary of State September 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 3519 of the Government Code is amended to read:

3519. It shall be unlawful for the state to do any of the following:

(a) Impose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees, or otherwise to interfere with, restrain, or coerce employees because of their exercise of rights guaranteed by this chapter. For purposes of this subdivision, "employee" includes an applicant for employment or reemployment.

(b) Deny to employee organizations rights guaranteed to them by this chapter.

(c) Refuse or fail to meet and confer in good faith with a recognized employee organization.

(d) Dominate or interfere with the formation or administration of any employee organization, or contribute financial or other support to it, or in any way encourage employees to join any organization in preference to another.

(e) Refuse to participate in good faith in the mediation procedure set forth in Section 3518.

SEC. 2. Section 3543.5 of the Government Code is amended to read:

3543.5. It shall be unlawful for a public school employer to do any of the following:

(a) Impose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees, or otherwise to interfere with, restrain, or coerce employees because of their exercise of rights guaranteed by this chapter. For purposes of this subdivision, "employee" includes an applicant for employment or reemployment.

(b) Deny to employee organizations rights guaranteed to them by this chapter.

(c) Refuse or fail to meet and negotiate in good faith with an exclusive representative.

(d) Dominate or interfere with the formation or administration of any employee organization, or contribute financial or other support to it, or in any way encourage employees to join any organization in preference to another.

(e) Refuse to participate in good faith in the impasse procedure set forth in Article 9 (commencing with Section 3548).

SEC. 3. Section 3571 of the Government Code is amended to read:

3571. It shall be unlawful for the higher education employer to do any of the following:

(a) Impose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees, or otherwise to interfere with, restrain, or coerce employees because of their exercise of rights guaranteed by this chapter. For purposes of this subdivision, "employee" includes an applicant for employment or reemployment.

(b) Deny to employee organizations rights guaranteed to them by this chapter.

(c) Refuse or fail to engage in meeting and conferring with an exclusive representative.

(d) Dominate or interfere with the formation or administration of any employee organization, or contribute financial or other support to it, or in any way encourage employees to join any organization in preference to another. However, subject to rules and regulations adopted by the board pursuant to Section 3563, an employer shall not be prohibited from permitting employees to engage in meeting and conferring or consulting during working hours without loss of pay or benefits.

(e) Refuse to participate in good faith in the impasse procedure set forth in Article 9 (commencing with Section 3590).

(f) Consult with any academic, professional, or staff advisory group on any matter within the scope of representation for employees who are represented by an exclusive representative, or for whom an employee organization has filed a request for recognition or certification as an exclusive representative until such time as the request is withdrawn or an election has been held in which "no representative" received a majority of the votes cast. This subdivision is not intended to diminish the prohibition of unfair practices contained in subdivision (d). For the purposes of this subdivision, the term "academic" shall not be deemed to include the academic senates.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 314

An act to amend Sections 4799.08 and 4799.10 of the Public Resources Code, relating to forestry, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 7, 1989 Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4799.08 of the Public Resources Code is amended to read:

4799.08. The purpose of this chapter is to:

(a) Arrest the decline of our urban forest resources, facilitate the planting of trees in the city, and improve the quality of the environment in urban areas through establishment and improved management of urban forest resources.

(b) Facilitate the creation of permanent jobs in tree maintenance and related urban forestry activities in neighborhood, local, and regional urban areas.

(c) Maximize the potential of tree and vegetative cover in reducing energy consumption and producing fuel and other products.

(d) Encourage the coordination of state and local agency activities in urban forestry and related programs and encourage maximum citizen participation in their development and implementation.

(e) Prevent the introduction and spread within this state of the Dutch elm disease caused by the fungus Ceratocystis ulmi and to reduce or eliminate the loss of elm trees resulting from the disease.

(f) Prevent infestations and spread of pine pitch canker within this state, and to reduce the loss of pine trees resulting from the pitch canker disease.

SEC. 2. Section 4799.10 of the Public Resources Code is amended to read:

4799.10. (a) The department is authorized to implement a program in urban forestry to encourage better tree management and planting in urban areas, to assist the cities in seeking innovative solutions to problems such as tree maintenance and vandalism, encourage demonstration projects to maximize the benefits of urban forests, and otherwise accomplish the purposes of this chapter.

The department shall assume the primary responsibility in carrying out the intent of this chapter in cooperation with other private and public entities or persons and appropriate local, state, and federal agencies such as the Cooperative Extension, the Department of Parks and Recreation, the Department of Transportation, resource conservation districts, and the United States Forest Service.

(b) The department shall be the agent of the state and shall have full power to cooperate with those agencies of the federal government which have powers and duties concerning urban forestry, and shall perform all things necessary to secure for this state the benefits of federal urban forestry programs.

To facilitate implementation of this chapter, the director is authorized to enter into agreements and contracts with any public or private organization including local agencies having forestry-related jurisdictional responsibilities and established and operating urban forestry programs. The director shall consult with those agencies when carrying out the provisions of this chapter in their respective areas.

(c) The director shall take all steps necessary to prevent or retard the introduction, establishment, and spread of the Dutch elm disease including the detection and removal of infected and high-hazard elm trees.

(d) The director may enter into agreements with any local agency to prevent or retard the introduction, establishment, and spread of the eucalyptus longhorn borer and pine pitch canker, including the detection and removal of infected and high-hazard eucalyptus and pine trees. The agreements shall assure that the department will not need additional funds to participate in the program.

(e) The department and the Department of Food and Agriculture shall cooperate in setting quarantine boundary lines and in enforcing the provisions relating to quarantine and pest abatement contained in Division 4 (commencing with Section 5001) of the Food and Agricultural Code when a quarantine is established with regard to the Dutch elm disease.

(f) The department may use available recipients of the Aid to Families with Dependent Children or General Assistance Program who are participating in state or county work experience programs for carrying out the purposes of this chapter. The participation of Work Incentive Program registrants shall be consistent with their employability development plan. Persons being used by the department pursuant to this subdivision shall not be in the same crew as persons being used pursuant to subdivision (g).

(g) Whenever it is feasible to do so, the department may utilize inmates and wards assigned to conservation camps in implementing this chapter.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the Director of Forestry and Fire Protection to take necessary action at the earliest possible time to prevent or retard the eucalyptus longhorn borer and pine pitch canker, it is necessary that this act take effect immediately.

CHAPTER 315

An act relating to peace officers.

[Approved by Governor September 7, 1989. Filed with Secretary of State September 7, 1989.]

The people of the State of California do enact as follows:

SECTION 1. (a) The Commission on Peace Officer Standards and Training is hereby authorized to conduct a study to determine the possibility of instituting an Advanced Command Police Academy, where peace officers could acquire a master's degree.

(b) The commission shall report to the Legislature its findings and recommendations of this study not later than January 1, 1991.

CHAPTER 316

An act to add Section 26458.5 to the Vehicle Code, relating to vehicles.

[Approved by Governor September 7, 1989. Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 26458.5 is added to the Vehicle Code, to read:

26458.5. Pursuant to Section 26458, whenever a motor vehicle is equipped with an additional control to operate the brakes on a trailer, that control shall not be used in lieu of the service brake control, except in the case of failure of the service brake system.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 317

An act to add Section 3033 to the Fish and Game Code, relating to hunting, and making an appropriation therefor.

[Approved by Governor September 7, 1989. Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3033 is added to the Fish and Game Code, to read:

3033. (a) The department shall, upon application and payment of a fee, issue a reduced fee hunting license, which authorizes the licensee to take any bird or mammal as otherwise authorized pursuant to this code and regulations adopted thereto, to a disabled veteran, as defined in subdivision (b), who has not been convicted of any violation of this code. The license fee under this section shall be two dollars ($2) for the hunting license year beginning on July 1, 1990, and, for the following years, this license fee may be annually reviewed and adjusted in accordance with Section 713.

(b) "Disabled veteran" means a person having a 70 percent or greater service-connected disability upon presentation of proof of an honorable discharge from military service and proof of the disability. Proof of the disability shall be by certification from the United States Veterans' Administration or by presentation of a license issued pursuant to this section in the preceding license year.

(c) This section shall become operative on July 1, 1990.

CHAPTER 318

An act to amend Sections 15, 7856, 8664.5, 8753, 9025, and 9026 of, to amend the heading of Article 2 (commencing with Section 9025) of Chapter 4 of Part 3 of Division 6 of, to add Sections 9028 and 9029 to, and to repeal Section 77 of, the Fish and Game Code, relating to commercial fishing, and making an appropriation therefor.

[Approved by Governor September 7, 1989 Filed with Secretary of State September 7, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 15 of the Fish and Game Code is amended to read:

15. "Angling" means the taking of, or attempting to take, fish by hook and line with the line held in the hand, or by hook and line with the line attached to a pole or rod which is closely attended or held in the hand in such a manner that the fish voluntarily takes the bait

or lure in its mouth.

SEC. 2. Section 77 of the Fish and Game Code is repealed.

SEC. 3. Section 7856 of the Fish and Game Code is amended to read:

7856. Notwithstanding any other provision of this division, except as provided in subdivision (f) and except when prohibited by federal law, fish may be prepared for human consumption aboard a commercial fishing vessel only under the following conditions:

(a) The fish are taken under all existing commercial fishing laws and regulations and, except as provided in subdivision (f), the fish is of a species and size that can be lawfully taken under sportfishing regulations in the area where taken and are taken incidental to normal commercial fishing operations.

(b) The fish is separated from other fish and stored with other foodstuff for consumption by the crew and passengers aboard the vessel.

(c) The fish, or parts thereof, shall not be bought, sold, offered for sale, transferred to any other person, landed, brought ashore, or used for any purpose except for consumption by the crew and passengers.

(d) (1) All fish shall be maintained in such a condition that the species can be determined, and the size or weight can be determined if a size or weight limit applies, until the fish is prepared for immediate consumption.

(2) If the fish is filleted, a patch of skin shall be retained on each fillet as prescribed by the commission in the sportfishing regulations until the fish is prepared for immediate consumption.

(3) Fillets from fish possessed under sportfishing regulations shall be of the minimum length prescribed by commission regulations.

(e) No fish which may be possessed under sportfishing regulations may be possessed in excess of the sport bag limit for each crew member and passenger on board the vessel.

(f) Notwithstanding other provisions of this section, kelp bass, sand bass, spotted bass, yellowfin croaker, spotfin croaker, California corbina, and marlin, shall not be possessed aboard a commercial fishing vessel while that vessel is on a commercial fishing trip. Salmon, lobster, or abalone shall not be possessed aboard a commercial salmon vessel while that vessel is on a commercial fishing trip for preparation for human consumption pursuant to this section unless that salmon, lobster, or abalone is taken and possessed in compliance with all applicable laws pertaining to commercial fishing methods of take, licenses, permits, and size limits. Sturgeon or striped bass shall not be possessed aboard a commercial fishing vessel. No person shall take or possess any fish on a commercial fishing vessel under a sportfishing license while that vessel is engaged in a commercial fishing activity, including going to or from an area where fish are taken for commercial purposes.

SEC. 4. Section 8664.5 of the Fish and Game Code is amended to read:

8664.5. (a) Notwithstanding Sections 8693 and 8724, gill nets and

trammel nets shall not be used in those portions of District 17 between a line extending 220° magnetic from the mouth of Waddel Creek in Santa Cruz County and a line extending 252° magnetic from Yankee Point, Carmel Highlands, in Monterey County in waters 20 fathoms or less in depth at mean lower low water.

(b) Notwithstanding Sections 8693 and 8724, gill nets and trammel nets shall not be used in that portion of District 18 north of a line extending due west from Point Sal in Santa Barbara County in waters 15 fathoms or less in depth at mean lower low water or in that portion of District 18 north of a line extending due west from Santa Rosa Creek in San Luis Obispo County in waters 20 fathoms or less in depth at mean lower low water. However, the director may, by public announcement, allow the use of gill or trammel nets in all, or any part, of the area of District 18 south of Point San Luis in San Luis Obispo County for a specified period if the director determines, on the basis of written findings, that the use of those nets will not result in any accidental take of sea otters. The director shall immediately rescind the authorization pursuant to this subdivision if the director determines that further use of those nets may result in the accidental entanglement or take of sea otters.

(c) Notwithstanding Sections 8693 and 8724, any person using gill nets or trammel nets in those portions of Districts 17 and 18 from a line extending 220° magnetic from the mouth of Waddell Creek in Santa Cruz County to a line extending due west from Santa Rosa Creek in San Luis Obispo County in waters between 20 fathoms and 40 fathoms in depth at mean lower low water shall comply with all of the following requirements in order to ensure adequate monitoring of fishing effort to protect marine mammals:

(1) Prior to the use, the person shall notify the department that gill nets or trammel nets will be set in the area.

(2) The person shall give adequate notice, as determined by the department, to the department's office in Monterey or Morro Bay at least 24 hours prior to each fishing trip to ensure full compliance and cooperation with the monitoring program. The department may require that an authorized monitor be on board the vessel. The department shall determine whether on board, at sea, or shoreside monitoring is appropriate. If the authorized monitor is not on board the fishing vessel, the fishing vessel operator and the authorized monitor shall make every effort to remain in radio contact if the radio equipment is made available to the monitor.

(3) To ensure the effectiveness of the monitor program, gill nets and trammel nets may be set or pulled only between one-half hour after sunrise and one-half hour before sunset.

(4) A permit may be revoked and canceled pursuant to Section 8681 for failure to comply with the department's notification and monitoring requirements.

(d) If the director determines that the use of gill or trammel nets is having an adverse impact on any population of any species of seabird, marine mammal, or fish, the director shall issue an order

prohibiting or restricting the use, method of use, size, or materials used in the construction of either or both types of those nets in all or any part of District 10 or 17, or in all or any part of District 18 north of a line extending due west from Point Conception in Santa Barbara County for a specified period. The order shall take effect no later than 48 hours after its issuance. The director shall hold a properly noticed public hearing in a place convenient to the affected area within one week of the effective date of the order to describe the action taken and shall take testimony as to the effect of the order and determine whether any modification of the order is necessary.

(e) For purposes of this section, "adverse impact" means either of the following:

(1) The danger of irreparable injury to, or mortality in, any population of any species of seabird, marine mammal, or fish which is occurring at a rate that threatens the viability of the population as a direct result of the use of gill nets or trammel nets.

(2) The impairment of the recovery of a species listed as an endangered species or threatened species pursuant to the federal Endangered Species Act (16 U.S.C. Sec. 1531 et seq.) or the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3) or a species of seabird, marine mammal, or fish designated as fully protected under this code, as a direct result of the use of gill nets or trammel nets.

(f) This section does not apply to any gill net with meshes 3½ inches or less in length in any portion of District 18 between Yankee Point in Monterey County and Point Sal in Santa Barbara County.

(g) The department shall explore, as alternatives to the use of gill and trammel nets, what fishing gear and methods may be used to take California halibut in areas closed pursuant to this section. The department shall consider issuing experimental gear permits pursuant to Section 8606 for authorizing the use of the alternative fishing gear and methods in the California halibut fishery in those areas.

SEC. 5. Section 8753 of the Fish and Game Code is amended to read:

8753. (a) In that part of District 16 lying north and west of a line drawn from the light on the end of the Monterey Breakwater magnetic east to the shoreline, round haul nets may be used.

(b) In that portion of District 16 lying southerly of the Monterey Breakwater and south of a line drawn from the light on the end of that breakwater magnetic east to the shoreline, round haul nets may be used from June 1st to August 31st for the purpose of taking squid.

SEC. 6. The heading of Article 2 (commencing with Section 9025) of Chapter 4 of Part 3 of Division 6 of the Fish and Game Code is amended to read:

Article 2. Fishing Lines

SEC. 7. Section 9025 of the Fish and Game Code is amended to read:

9025. (a) Troll lines or handlines having not more than two hooks (plugs excepted) may be used in any district, and troll lines with more than two hooks may be used in Districts 6, 7, 10, 16, 17, 18, 19, and 19A, and that portion of District 11 west of the Golden Gate Bridge.

(b) "Troll line" means a line with one or more hooks towed by a vessel underway and making way.

SEC. 8. Section 9026 of the Fish and Game Code is amended to read:

9026. Set lines may be used in Districts 6, 7, 10, 17, 18, and 19. It is unlawful to use set lines with hooks more than 100 feet above the anchor or ocean bottom.

SEC. 9. Section 9028 is added to the Fish and Game Code, to read:

9028. Notwithstanding Sections 8603 and 9025, it is unlawful to use fishing lines, including, but not limited to, troll lines and handlines more than 900 feet in length unless they are used as set lines pursuant to Sections 8601 and 9026.

SEC. 10. Section 9029 is added to the Fish and Game Code, to read.

9029. (a) Notwithstanding Section 9028, a fishing line which is anchored to the ocean bottom at one end and attached at the surface to a fishing vessel or a buoy may be used in Districts 6, 7, 10, 17, 18, and 19.

(b) A fishing line otherwise permitted pursuant to subdivision (a), may not be used under any of the following circumstances:

(1) To take shortfin mako (bonito) sharks, thresher sharks, swordfish, or marlin.

(2) If the fishing line exceeds 3,000 feet in length from the anchor to the surface vessel or buoy.

(3) If any hoods are attached to the upper one-third of the line.

(c) A buoy attached to the surface end of a fishing line used pursuant to subdivision (a) shall display above its waterline, in numerals at least two inches high, the California Fish and Game registration number of the vessel from which the line is being fished

SEC. 11. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 319

An act to amend Section 6074 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6074 of the Revenue and Taxation Code is amended to read:

6074. (a) When the board determines it is necessary for the efficient administration of this part, the board may, by written notice, require any person making sales to operators of catering trucks, operated out of that person's facility pursuant to Section 27792 of the Health and Safety Code, who resell the property in the regular course of his or her business, to obtain evidence that the operator is the holder of a valid seller's permit issued pursuant to Section 6067.

At any time as the board may specify in a written notice, but in no case more than three times in a calendar year, the board may require a person making sales to operators of catering trucks to submit to the board a listing of operators of catering trucks who purchase goods from that person. Each listing shall be provided to the board within 30 days after the date of the board's notice, and shall include the name and seller's permit number on file of each operator, or, for those operators who do not provide evidence of a valid seller's permit, the operator's name, address, and telephone number.

The board may also, by written notice, require a person making sales to operators of catering trucks to promptly notify the board if a newly purchasing operator does not provide to the person, within 30 days of the date of the first purchase, evidence of a valid seller's permit.

Persons required by written notice of the board to obtain evidence, or provide a listing or notification, who fail to comply, may be subject to a penalty not to exceed five hundred dollars ($500) for each failure.

(b) Persons making sales to operators of catering trucks who do not have valid seller's permits or whose permits have been revoked shall report and pay the tax on property as if the property were sold at retail at the time of the sale. Nothing in this section shall relieve any operator of a catering truck of his or her obligations as a seller under this part.

(c) If the board finds that a person's failure to comply with this section is due to reasonable cause and circumstances beyond the person's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty imposed by this section.

Any person seeking to be relieved of the penalty shall file with the

board a statement under penalty of perjury setting forth the facts upon which he or she bases his or her claim for relief.

CHAPTER 320

An act to repeal Section 18154 of the Health and Safety Code, relating to the mobilehomes, and making an appropriation therefor.

[Approved by Governor September 8, 1989. Filed with Secretary of State September 8, 1989]

I am deleting the $100,000 appropriation contained in Section 2 of Assembly Bill No 722.

This bill would delete the sunset date for the Mobilehome Ombudsman and appropriate $100,000 for the purposes of paying the costs of the duties ombudsman for the last 6 months of the 1989–90 fiscal year

The appropriation in this bill duplicates the appropriation in SB 81 (Craven, Chapter 189/89) and, therefore, is unnecessary.

With this deletion, I approve Assembly Bill No. 722.

GEORGE DEUKMEJIAN, Governor

The people of the State of California do enact as follows:

SECTION 1. Section 18154 of the Health and Safety Code is repealed.

SEC. 2. The sum of one hundred thousand dollars ($100,000) is appropriated from the Mobilehome-Manufactured Home Revolving Fund established pursuant to Section 18016.5 of the Health and Safety Code to the Department of Housing and Community Development for purposes of paying the costs of the duties of the Mobilehome Ombudsman established by Chapter 9 (commencing with Section 18150) of Part 2 of Division 13 of the Health and Safety Code for the last six months of the 1989–90 fiscal year.

CHAPTER 321

An act to amend Sections 81929.5, 81936.5, 90013, 90040, 90048, 92476, and 92481 of, and to repeal Sections 81929.5, 81936.5, 90013 90040, 90048, 92476, and 92481 of, the Education Code, relating to postsecondary education.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 81929.5 of the Education Code, as amended by Section 2 of Chapter 33 of the Statutes of 1984, is amended to read:

81929.5. Bonds shall bear interest at a rate of not to exceed 12 percent per annum, payable annually or semiannually, or in part

annually and in part semiannually.

SEC. 2. Section 81929.5 of the Education Code, as added by Section 28 of Chapter 251 of the Statutes of 1982, is repealed.

SEC. 3. Section 81936.5 of the Education Code, as amended by Chapter 33 of the Statutes of 1984, is amended to read:

81936.5. Bonds may be sold at either public or private sale. The board may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The county treasurer, when authorized by resolution of the board, may sell bonds at less than their par or face value, but no bond may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 12 percent per annum, payable semiannually, according to standard tables of bond values.

SEC. 4. Section 81936.5 of the Education Code, as added by Chapter 251 of the Statutes of 1982, is repealed.

SEC. 5. Section 90013 of the Education Code, as amended by Section 3 of Chapter 740 of the Statutes of 1988, is amended to read:

90013. The board may issue revenue bond anticipation notes, in anticipation of the sale of revenue bonds. Before issuing any of these notes, the board shall, by resolution, authorize their issuance, declare the purpose for which the proceeds of the notes shall be expended, and specify the maximum amount of notes to be issued for that purpose.

Revenue bond anticipation notes shall bear interest at the rate or rates as the board may determine, not exceeding 12 percent per annum, payable annually or semiannually, and shall mature on the date or dates as the board may determine and set forth in the resolution authorizing their issuance, but not more than three years from their date.

The proceeds from the sale of notes shall be used only for the purposes for which the proceeds of the sale of bonds may be used in anticipation whereof the notes are issued.

All notes issued, including renewal notes, and the interest thereon shall be payable from the proceeds of the sale of the bonds, the revenues of the project, any appropriations made for that purpose or all of these sources, and not otherwise, except that in the event that the sale of the bonds shall not have occurred prior to the maturity of the notes issued in anticipation thereof, the board may issue renewal notes in order to pay the notes then maturing. No renewal notes shall be issued after the sale of the bonds in anticipation of which the original note was issued.

Revenue bond anticipation notes may be secured by a pledge of, and lien upon, the proceeds of the sale of bonds, the revenues of the project, and any other legally available funds.

A resolution authorizing the issuance of revenue bond anticipation notes may include those provisions as the board deems necessary or advisable for the security of the notes issued thereunder, and may include any and all provisions authorized to be included in indentures by this article.

SEC. 6. Section 90013 of the Education Code, as added by Section 4 of Chapter 740 of the Statutes of 1988, is repealed.

SEC. 7. Section 90040 of the Education Code, as amended by Section 8 of Chapter 33 of the Statutes of 1984, is amended to read:

90040. Bonds shall bear interest at a rate of not to exceed 12 percent per annum, payable annually or semiannually, or in part annually and in part semiannually.

SEC. 8. Section 90040 of the Education Code, as added by Section 8 of Chapter 333 of the Statutes of 1981, is repealed.

SEC. 9. Section 90048 of the Education Code, as amended by Section 21 of Chapter 740 of the Statutes of 1988, is amended to read:

90048. Bonds and notes may be sold at either public or private sale. The board may fix terms and conditions for the sale or other disposition of any authorized issue of bonds or notes. The Treasurer, when authorized by resolution of the board may sell bonds and notes at less than their par or face value, but no bond or note may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 12 percent per annum, payable semiannually, according to standard tables of bond values.

SEC. 10. Section 90048 of the Education Code, as amended by Section 22 of Chapter 740 of the Statutes of 1988, is repealed.

SEC. 11. Section 92476 of the Education Code, as added by Section 12 of Chapter 33 of the Statutes of 1984, is amended to read:

92476. Bonds shall bear interest at a rate of not to exceed 12 percent per annum, payable annually or semiannually, or in part annually and in part semiannually.

SEC. 12. Section 92476, as added by Chapter 333 of the Statutes of 1981, is repealed.

SEC. 13. Section 92481 of the Education Code, as amended by Section 14 of Chapter 33 of the Statutes of 1984, is amended to read:

92481. Bonds may be sold at either public or private sale. The regents may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The regents may sell bonds at less than their par or face value, but no bond may be sold at a price below the par or face value of the bond which would result in a sale price yielding to the purchaser an average of more than 12 percent per annum, payable semiannually, according to standard tables of bond values.

SEC. 14. Section 92481 of the Education Code, as added by Section 14 of Chapter 333 of the Statutes of 1981, is repealed.

CHAPTER 322

An act to add Section 1293 to the Evidence Code, relating to evidence.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1293 is added to the Evidence Code, to read:

1293. (a) Evidence of former testimony made at a preliminary examination by a minor child who was the complaining witness is not made inadmissible by the hearsay rule if:

(1) The former testimony is offered in a proceeding to declare the minor a dependent child of the court pursuant to Section 300 of the Welfare and Institutions Code.

(2) The issues are such that a defendant in the preliminary examination in which the former testimony was given had the right and opportunity to cross-examine the minor child with an interest and motive similar to that which the parent or guardian against whom the testimony is offered has at the proceeding to declare the minor a dependent child of the court.

(b) The admissibility of former testimony under this section is subject to the same limitations and objections as though the minor child were testifying at the proceeding to declare him or her a dependent child of the court.

(c) The attorney for the parent or guardian against whom the former testimony is offered or, if none, the parent or guardian may make a motion to challenge the admissibility of the former testimony upon a showing that new substantially different issues are present in the proceeding to declare the minor a dependent child than were present in the preliminary examination.

(d) As used in this section, "complaining witness" means the alleged victim of the crime for which a preliminary examination was held.

(e) This section shall apply only to testimony made at a preliminary examination on and after January 1, 1990.

CHAPTER 323

An act to amend Section 57025 of, and to repeal Sections 56161, 56654, and 56655 of, to repeal Article 8 (commencing with Section 50190) of Chapter 1 of Division 1 of Title 5 of, and to repeal and add Section 56383 of, the Government Code, and to amend Section 6960.3 of the Health and Safety Code, relating to local agencies.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Article 8 (commencing with Section 50190) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code is repealed.

SEC. 2. Section 56161 of the Government Code is repealed.

SEC. 3. Section 56383 of the Government Code is repealed.

SEC. 4. Section 56383 is added to the Government Code, to read:

56383. (a) The commission may establish a schedule of fees for the costs of proceedings taken pursuant to this division, including, but not limited to, all of the following:

(1) Checking the sufficiency of any petition filed with the executive officer.

(2) Filing and processing applications filed with the commission.

(3) Proceedings undertaken by the commission and any reorganization committee.

(4) Amending a sphere of influence.

(5) Reconsidering a resolution making determinations.

(b) The schedule of fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged and shall be imposed pursuant to Chapter 13 (commencing with Section 54990) of Part 1 of Division 2.

(c) The commission may require that a fee be deposited with the executive officer before any further action is taken. The deposit of the fee shall be made within the time period specified by the commission. No petition shall be deemed filed until the fee has been deposited.

SEC. 5. Section 56654 of the Government Code is repealed.

SEC. 6. Section 56655 of the Government Code is repealed.

SEC. 7. Section 57025 of the Government Code is amended to read:

57025. (a) Upon receipt of a copy of the commission's resolution making determinations, the clerk of the conducting authority shall give notice of the hearing to be held on the proposal by publication pursuant to Sections 56153 and 56154 and by posting pursuant to Sections 56158 and 56159.

(b) The clerk shall also give mailed notice to each affected city, affected district, or affected county, the commission, the chief

petitioners, if any, all landowners owning land within any territory proposed to be formed into, or to be annexed to, or detached from, an improvement district within any city or district, and to persons requesting special notice, in accordance with the provisions of Sections 56155 to 56157, inclusive.

(c) In the case of a proposed annexation to a city of affected territory consisting of 75 acres or less, the clerk of the conducting authority shall give mailed notice to each landowner within the affected territory.

SEC. 8. Section 6960.3 of the Health and Safety Code is amended to read:

6960.3. The formation of an on-site wastewater disposal zone shall be subject to review and approval by a local agency formation commission which has adopted rules and regulations affecting the functions and services of special districts pursuant to Chapter 5 (commencing with Section 56450) of Part 2 of Division 3 of Title 5 of the Government Code.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 324

An act to amend Sections 56375 and 57200 of the Government Code, and to add Section 22613 to the Streets and Highways Code, relating to public improvements.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 56375 of the Government Code is amended to read:

56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization. However, a commission shall not have the power to disapprove an annexation to a city, initiated by resolution, of contiguous territory which the commission finds is either:

(1) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(2) (A) Located within an urban service area which has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(B) As a condition to the annexation of an area, which is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

(C) A commission shall not impose any conditions which would directly regulate land use density or intensity, property development, or subdivision requirements. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. This paragraph does not prohibit a commission from requiring, as a condition to annexation, that a city prezone the territory to be annexed. However, the commission shall not specify how, or in what manner, the territory shall be prezoned.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization which includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated, successor city or district.

(d) To approve the annexation to a city after notice and hearing, and authorize the conducting authority to order annexation of the territory without an election, if the commission finds that the territory contained in an annexation proposal meets all of the following requirements:

(1) It does not exceed 75 acres in area, that area constitutes the entire island, and the island does not constitute a part of an unincorporated area which is more than 100 acres in area.

(2) It is surrounded in either of the following ways:

(A) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and a county boundary or the Pacific Ocean.

(B) Surrounded by the city to which annexation is proposed and adjacent cities.

(3) It is substantially developed or developing. The finding required by this subparagraph shall be based upon one or more factors, including, but not limited to, any of the following factors:

(A) The availability of public utility services.

(B) The presence of public improvements.

(C) The presence of physical improvements upon the parcel or parcels within the area.

(4) It is not prime agricultural land, as defined by Section 56064.

(5) It will benefit from the annexation or is receiving benefits from the annexing city.

(e) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56111, located in the same county as that in which the city is located, and which is owned by a city and used for municipal purposes and to authorize the conducting authority to annex the territory without notice and hearing.

(f) Subject to Section 56029, to designate in the resolution making determinations the conducting authority for proceedings.

(g) When a change of organization or a reorganization includes the annexation of inhabited territory to a city and the assessed value of land within the territory equals one-half or more of the assessed value of land within the city, or the number of registered voters residing within the territory equals one-half or more of the number of registered voters residing within the city, to determine as a condition of the proposal that the change of organization or reorganization shall also be subject to confirmation by the voters in an election to be called, held, and conducted within the territory of the city to which annexation is proposed.

(h) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district.

(i) To adopt procedures for the evaluation of proposals. The commission may adopt standards for any of the factors enumerated in Section 56841.

(j) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653.

(k) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(*l*) To incur usual and necessary expenses for the accomplishment of its functions.

(m) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(n) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(o) To waive the restrictions of Section 56109 if it finds that the

application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(p) To waive the application of Section 25210.90 or Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(q) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56842.

SEC. 2. Section 57200 of the Government Code is amended to read:

57200. (a) Immediately after adoption of a resolution ordering a change of organization or reorganization without election or a resolution confirming an order for a change of organization or reorganization after confirmation by the voters, the clerk of the conducting authority shall transmit a certified copy of the resolution along with a remittance to cover the fees required by Section 54902.5 to the executive officer.

(b) The executive officer shall examine the resolution and determine whether it is in compliance with the boundaries, modifications, and conditions specified by the commission in its resolution making determinations.

(1) If the resolution ordering the change of organization or reorganization is determined not to be in compliance by the executive officer, the executive officer shall specify in writing the points of noncompliance and return the resolution to the conducting authority for modification.

(2) If the resolution ordering the change of organization or reorganization is determined to be in compliance by the executive officer, the executive officer shall prepare and execute a certificate of completion and shall make the filings required by this division.

(c) Whenever the commission approves the inclusion of any territory of a landscape and lighting assessment district within a city, the executive officer shall, upon receipt of the resolution specified in subdivision (a), notify the clerk of the landscape and lighting assessment district or other person designated by the district to receive notification.

SEC. 3. Section 22613 is added to the Streets and Highways Code, to read:

22613. (a) Whenever any territory of an assessment district is included within a city by annexation or incorporation, whether that

inclusion occurs before or after the completion of the formation of the assessment district, and the notification requirements of subdivision (c) of Section 57200 of the Government Code have been met, that territory is thereby excluded from the assessment district.

(b) Subdivision (c) of Section 99 of the Revenue and Taxation Code applies to alterations of territory pursuant to this section.

(c) If the assessment district has issued bonds or notes pursuant to Section 22662.5 and the bonds or notes are outstanding and owing on the date of the withdrawal, the property within any territory withdrawing from the district shall continue to be liable for assessment and payment of its pro rata share of the bonds or notes.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 325

An act to amend Section 14087.21 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14087.21 of the Welfare and Institutions Code is amended to read:

14087.21. Commencing November 1, 1984, reimbursement to children's hospitals shall be on a basis that reflects the relative severity of pediatric diagnostic case types. For the purposes of this section, "children's hospital" means those hospitals where 30 percent of the infants and children served by the single institution qualify for Medi-Cal payment systems, and the institution serves primarily children.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Because procedures for negotiating contracts with children's hospitals require quantitative consideration of the current pediatric diagnostic group reimbursement methodology of the children's hospitals, and Medi-Cal eligible infants and children and children

eligible for the CCS program may be adversely affected, it is necessary that this act take effect immediately.

CHAPTER 326

An act to amend Sections 447.42 and 1460 of the Health and Safety Code and Section 14083 of the Welfare and Institutions Code, relating to nursing shortages.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that:

(a) California is suffering one of the most serious shortages of registered nurses in the nation. While staff shortage problems plague all hospitals, the problem is most acute in county facilities, those 6 percent of the state's hospitals that provide almost 60 percent of all uncompensated inpatient care provided in this state and almost 40 percent of all inpatient Medi-Cal hospital services in this state.

(b) Statewide, the average registered nurse vacancy rate is 11 percent, while in county hospitals the average rate is 16 percent, with some facilities having a rate as high as 40 percent. Lower salaries and benefits offered, the location, and the demanding types of patients and services offered at county hospitals, have combined to increase the registered nurse vacancy rate in county hospitals.

(c) California's county hospitals have been forced to close critical care beds and other beds as a result of the shortage of qualified registered nurses to care for these patients. In Los Angeles, Alameda, San Francisco and other counties, the closure of beds has negatively impacted the availability of needed health care services for residents of these counties and has resulted in private facilities incurring unnecessary losses.

(d) The closure of inner city hospital beds, as a result of the nursing shortage, has also contributed to the weakening of an already fragile trauma care system. In particular, the closure of critical care beds and other specialty beds have placed undue strain on many counties' trauma care systems, incorporating both private and public facilities.

(e) The growing number of California residents without health insurance has placed increasing demands on county hospitals as principal providers of care to those with limited health care options. Declining physician participation in Medi-Cal has also increased the reliance of persons eligible for Medi-Cal on county facilities. As a result, private facilities report an average bed occupancy rate of 60 percent, while California's county hospitals average 77 percent, with some county facilities averaging as high as 90 percent. This high

demand for services accentuates nursing shortage problems and jeopardizes the continued availability of care to emergency patients and those with limited health care options.

(f) The recent report of the National Commission on Nursing specifically recommended not only a Medicare rate adjustment to address the nursing shortage, but also that a review of Medicaid payment policies was critical in order to address this intractable problem.

(g) Because many county hospitals are located in economically disadvantaged or medically underserved areas, it is difficult to recruit and retain nursing staff at these facilities. Therefore, these facilities deserve recognition as unique medically underserved areas.

SEC. 2. Section 447.42 of the Health and Safety Code is amended to read:

447.42. (a) There is hereby created the Registered Nurse Education Program within the Minority Health Professions Education Foundation. Persons participating in this program shall be either persons from demographically underrepresented groups or persons who agree in writing prior to graduation to serve in an eligible county health facility or a health manpower shortage area, as designated by the director of the Office of Statewide Health Planning and Development. Persons from demographically underrepresented groups may apply for awards to persons agreeing to serve in eligible county health facilities or health manpower shortage areas. The Registered Nurse Education Program shall be administered in accordance with Article 14 (commencing with Section 69795) of Chapter 2 of Part 42 of the Education Code, except that all funds in the Registered Nurse Education Fund shall be used only for the purpose of promoting the education of registered nurses and related administrative costs, and except that persons who apply for awards that require them to serve in an eligible county health facility or a health manpower shortage area may be, but are not required to be, persons from demographically underrepresented groups or persons from "underrepresented minority groups" as defined in subdivision (g) of Section 69795 of the Education Code. The Minority Health Professions Education Foundation shall make recommendations to the Director of the Office of Statewide Health Planning and Development concerning both the following:

(1) A standard contractual agreement to be signed by the director and any student who has received an award to work in an eligible county health facility or in a health manpower shortage area that would require a period of obligated professional service in the areas of California designated by the Health Manpower Policy Commission as deficient in primary care services. The obligated professional service shall be in direct patient care. The agreement shall include a clause entitling the state to recover the funds awarded plus the maximum allowable interest for failure to begin or complete the service obligation.

(2) Maximum allowable amounts for scholarships, educational

loans, and loan repayment programs in order to assure the most effective use of these funds.

(b) Applicants may be persons licensed as registered nurses or graduates of associate degree nursing programs prior to entering a program granting a baccalaureate of science of nursing. Priority shall be given to applicants who hold associate degrees in nursing.

(c) Not more than 5 percent of the funds available under the Registered Nurse Education Program shall be available for a pilot project designed to test whether it is possible to encourage articulation from associate degree nursing programs to baccalaureate of science of nursing programs. Persons who otherwise meet the standards of subdivision (a) shall be eligible for educational loans when they are enrolled in associate degree nursing programs. If these persons complete a baccalaureate of science of nursing program in California within five years of obtaining an associate degree in nursing and meet the standards of this article, these loans shall be completely forgiven.

(d) As used in this section, "eligible county health facility" means a county health facility that has been determined by the Office of Statewide Health Planning and Development to have a nursing vacancy rate greater than noncounty health facilities located in the same health facility planning area.

SEC. 3. Section 1460 of the Health and Safety Code is amended to read:

1460. (a) Upon a determination and establishment of the need to recruit and retain registered nurses, licensed vocational nurses, X-ray technicians, laboratory technologists, and other health care professionals, the board of supervisors of a county may establish nursing or health care professional scholarships. For purposes of this section, "health care professional" shall not include a physician and surgeon.

(b) The board of supervisors, or a designee of the board, shall administer the scholarship program for students participating in a nurse or health care professional training program and shall adopt such rules and regulations as are reasonably necessary to carry out the provisions of this section.

(c) Scholarships made pursuant to this section, shall be repayable to the board of supervisors or canceled under the following conditions:

(1) A graduate nurse or health care professional who maintains employment in a county-operated health facility for less than one year after becoming licensed shall repay the scholarship in addition to accrued interest charges. The scholarships shall be repayable to the board of supervisors under the terms specified in the agreement.

(2) The total amount of the scholarship and all accrued interest shall be canceled for a graduate nurse or graduate health care professional who maintains employment in a county-operated facility for more than a year from the date of licensure and may be canceled under any other conditions established by rules and

regulations adopted by the board of supervisors. For the purposes of this section, one year of employment in a county-operated health facility shall be deemed to have lapsed one year from the date the licensed nurse or health care professional presents proof, in writing, to the board of supervisors, or designee of the board, that he or she is licensed and is employed in a county-operated health facility.

(d) In addition to the principal amount of the scholarship, interest shall accrue on the principal at a rate to be established by the board of supervisors. Interest shall accrue from the date the scholarship is made until it is repaid unless the scholarship is canceled pursuant to paragraph (2) of subdivision (c).

SEC. 4. Section 14083 of the Welfare and Institutions Code, as amended by Chapter 8 of the Statutes of 1989, is amended to read:

14083. The factors to be considered by the negotiator in negotiating contracts under this article, or in drawing specifications for competitive bidding, include, but are not limited to, all of the following:

(a) Beneficiary access.

(b) Utilization controls.

(c) Ability to render quality services efficiently and economically.

(d) Demonstrated ability to provide or arrange needed specialized services.

(e) Protection against fraud and abuse.

(f) Any other factor which would reduce costs, promote access, or enhance the quality of care.

(g) The capacity to provide a given tertiary service, such as specialized children's services, on a regional basis.

(h) Recognition of the variations in severity of illness and complexity of care.

(i) Existing labor-management collective bargaining agreements.

(j) The situation of county hospitals and university medical centers contracting with counties for provision of health care to indigent persons entitled to care under Section 17000, which are burdened to a greater extent than private hospitals with bad debts, indirect costs, medical education programs, and capital needs.

(k) The special circumstances of hospitals serving a disproportionate number of Medi-Cal beneficiaries and patients who are not covered by other third-party payers, including the costs associated with assuring an adequate supply of registered nurses.

(*l*) The costs of providing complex emergency services, including the costs of meeting and maintaining state and local requirements for trauma center designation.

(m) The hospital does any of the following:

(1) Provides additional obstetrical beds.

(2) Contracts with one or more comprehensive perinatal providers.

(3) Permits certified nurse midwives, subject to hospital rules, and consistent with existing laws and regulations, to admit patients to the health facility.

(4) Expands overall obstetrical services in the hospital.

CHAPTER 327

An act to amend Sections 24612, 24612.5, and 24615 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 24612 of the Education Code is amended to read:

24612. The first check to a retirant or option beneficiary shall be paid within 45 days of the effective date of retirement, the date of death of the member or retirant, or from the date of receipt of the retirement application, whichever is later. Monthly checks shall continue thereafter. Initial checks may be based on a good faith estimated amount pending receipt by the system of all the necessary employment and dependent information.

The retirant or option beneficiary will be placed on the final roll and paid a retroactive check, if one is due, within 45 days of receipt by the system of all the necessary information.

SEC. 2. Section 24612.5 of the Education Code is amended to read:

24612.5. The system shall pay the retirant, option beneficiary, disabilitant, beneficiary, or estate interest for delays in excess of the allowable days listed in Sections 24612 to 24612.2, inclusive. The interest rate for late payments shall be the regular interest rate. The interest payments are deemed to be interest earned in the year in which they are paid. All interest payments under this section shall be in addition to the credited interest that is paid.

SEC. 3. Section 24615 of the Education Code is amended to read:

24615. The board may establish a special account and procedures to pay, on an emergency basis, allowances, death payments, and up to 75 percent of the return of the balance of the accumulated retirement contributions as a result of termination of employment or death. Disbursements under the special account shall be by checks issued by the system and subject to the auditing requirements of the Controller. Payments under the special account shall be deducted from allowances, death benefits, and payment of accumulated retirement contributions, otherwise due.

CHAPTER 328

An act to amend Section 10145 of the Business and Professions Code, and to amend Section 12413.5 of the Insurance Code, relating to escrow.

[Approved by Governor September 8, 1989. Filed with Secretary of State September 8, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 10145 of the Business and Professions Code is amended to read:

10145. (a) A real estate broker who accepts funds belonging to others in connection with any transaction subject to this part shall deposit all such funds which are not immediately placed into a neutral escrow depository or into the hands of the broker's principal, into a trust fund account maintained by the broker in a bank or recognized depository in this state. All funds deposited by the broker in a trust fund account shall be maintained there until disbursed by the broker in accordance with instructions from the person entitled to the funds.

(b) A real estate broker acting as a principal pursuant to Section 10131.1 or Article 6 (commencing with Section 10237) of this part shall place all funds received from others for the purchase of real property sales contracts or promissory notes secured directly or collaterally by liens on real property in a neutral escrow depository unless delivery of the contract or note is made simultaneously with the receipt of the purchase funds.

(c) A real estate sales person who accepts trust funds from others on behalf of the broker under whom he or she is licensed, shall immediately deliver the funds to the broker or, if so directed by the broker, shall place the funds into the hands of the broker's principal, into a neutral escrow depository, or shall deposit the funds into the broker's trust fund account.

(d) If not otherwise expressly prohibited by a provision of this part, a real estate broker may, at the request of the owner of trust funds or of the principals to a transaction or series of transactions from whom the broker has received trust funds, deposit the funds into an interest-bearing account in a bank, savings and loan association, credit union, or industrial loan company whose accounts are insured by the Federal Deposit Insurance Corporation, if all of the following requirements are met:

(1) The account is in the name of the broker as trustee for the specified beneficiary or specified principal of a transaction or series of transactions.

(2) All of the funds in the account are covered by insurance provided by an agency of the federal government.

(3) The funds in the account are kept separate, distinct, and apart

from funds belonging to the broker or to any other person for whom the broker holds funds in trust.

(4) The broker discloses to the person from whom the trust funds are received and to any beneficiary whose identity is known to the broker at the time of establishing the account the nature of the account, how interest will be calculated and paid under various circumstances, whether service charges will be paid to the depository and by whom, and possible notice requirements or penalties for withdrawal of funds from the account.

(5) No interest earned on funds in the account shall inure directly or indirectly to the benefit of the broker nor to any person licensed to the broker.

(6) In an executory sale, lease, or loan transaction in which the broker accepts funds in trust to be applied to the purchase, lease, or loan, the parties to the contract shall have specified in the contract or by collateral written agreement the person to whom interest earned on the funds is to be paid or credited.

(e) The broker shall have no obligation to place trust funds into an interest-bearing account unless requested to do so and unless all of the conditions in subdivision (d) are met; nor, in any event, if he or she advises the party making the request that the funds will not be placed in an interest-bearing account.

(f) Nothing in subdivision (d) shall preclude the commissioner from prescribing by regulation circumstances in which and conditions under which a real estate broker is authorized to deposit funds received in trust into an interest-bearing trust fund account.

(g) The broker shall maintain a separate record of the receipt and disposition of all funds described in subdivisions (a) and (b), including any interest earned on the funds.

(h) Upon request of the commissioner, a broker shall furnish to the commissioner an authorization for examination of financial records of any such trust fund accounts maintained in a financial institution, in accordance with the procedures set forth in Section 7473 of the Government Code.

(i) As used in this section "neutral escrow" means an escrow business conducted by a person licensed under Division 6 (commencing with Section 17000) of the Financial Code or by any person described in subdivision (a) of Section 17006 and subdivision (c) of Section 17006 of that code.

SEC. 2. Section 12413.5 of the Insurance Code is amended to read:

12413.5. All funds received in connection with any escrow conducted by a title insurance company, controlled escrow company, or underwritten title company shall be deposited in a separate depository account in a bank or savings and loan association or in an account in an industrial loan company insured by the Federal Deposit Insurance Corporation, and the funds so deposited shall be the property of the person or persons entitled thereto under the provisions of the escrow and segregated escrow by escrow in the

records of the title insurance company, controlled escrow company, or underwritten title company. The funds shall not be subject to any debts of the title insurance company, controlled escrow company, or underwritten title company and shall be used only to fulfill the terms of the individual escrow for which the funds were accepted and none of the funds shall be utilized until the conditions of the escrow have been met.

Any interest received on funds deposited in connection with any escrow which are deposited in a bank, savings and loan association, or industrial loan company shall be paid over by the escrow to the depositing party to the escrow unless the escrow is otherwise instructed by the depositing party, and shall not be transferred to the account of the title insurance company, controlled escrow company, or underwritten title company.

CHAPTER 329

An act to add Section 14041.5 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds that delays in processing claims for payment under Medi-Cal are discouraging many providers from participating in the Medi-Cal program.

(b) The Legislature further finds that limited provider participation in the Medi-Cal program limits access to medically necessary health care services by many individuals and contributes to uncompensated care problems of health care providers and the overburdening of county hospitals and health programs.

(c) The Legislature further finds that claims processing and provider participation in the provision of Medi-Cal services could be significantly improved by the availability of interactive claims processing software for use by individual providers and billing services and the encouragement of electronic billing to reduce or eliminate common billing errors that result in claims being subjected to manual review.

SEC. 2. Section 14041.5 is added to the Welfare and Institutions Code, to read:

14041.5. (a) The department shall develop, disseminate, and update, on a periodic basis, claims preparation and processing software programs that may be used on computers at individual provider or billing service sites. The software shall be made available, to the extent feasible, for the most common computers used in the provider community for use, on an optional basis, by clerical or

billing personnel to facilitate the preparation and submission of Medi-Cal claims for services rendered.

(b) The software programs specified in subdivision (a) shall, to the extent possible:

(1) Contain all necessary validity edits utilized by the fiscal intermediary.

(2) Be designed to reasonably reduce common submission and billing errors.

(3) Contain features which provide options for the provider to use provider-developed files to reduce data entry requirements and improve reporting accuracy.

(4) Provide, at the provider's discretion, for the electronic or paper transmission of claims to the Medi-Cal fiscal intermediary.

(c) The department shall consult with affected provider groups prior to developing, disseminating, and updating claims preparation and processing software pursuant to this section.

(d) The department shall report to the Chairpersons of the Senate Health and Human Services Committee and Assembly Health Committee by April 1, 1990, on a plan and timetable for implementing this section. The plan and timetable shall identify provider groups for which the department plans to develop, disseminate, and update claims preparation and processing software.

(e) Notwithstanding the plan and timetable required by subdivision (d), the department shall develop and begin disseminating claims processing software programs to physician providers no later than January 1, 1991.

(f) The department shall, as part of implementing this section, provide technical assistance to providers, including, but not limited to, a user hotline and appropriate training materials. These materials shall cover the installation of the programs, use of the software to enter Medi-Cal claims data, and submission procedures.

(g) The software programs for the submission of Medi-Cal claims shall be made available to all interested parties for a reasonable initial fee, plus an annual subscription fee for updates, maintenance, and support provided to users. Fees shall be set so as to recover, as nearly as possible, the development, distribution, and ongoing support costs of software programs, instructional materials, or subsequent updates.

(h) Third-party vendors may obtain and enhance these programs for resale and provisions of value-added services to Medi-Cal providers. However, the state or any of its officials, employees, or agents shall bear no liability for software provided through any third party that has been altered or misused by any third party.

(i) Neither the state nor any of its officials, employees, or agents shall be responsible for any of the following:

(1) A provider's failure to meet Medi-Cal documentation and billing requirements, including timely billing pursuant to Section 14115.

(2) Alteration or misuse of the software in the submission of claims to the Medi-Cal program.

(3) Use of the software for any purpose other than the submission of claims to the Medi-Cal program.

(4) This subdivision shall not apply to any failure to meet Medi-Cal documentation and billing requirements which is substantiated as resulting from the use of software which is directly provided by the department and which contains proven flaws or defects which significantly contribute to the failure to meet those requirements.

(j) A provider or third party's eligibility to bill claims electronically by using software programs made available pursuant to this section shall be governed by Section 14040 and Section 14040.5, and any rules and regulations adopted by the director pursuant to these sections.

(k) The department shall report to the Legislature, on January 1, 1992, and January 1, 1993, on the response of the provider community, the participation of providers in this process, the volume of claims for participating providers, and error rates for participating and nonparticipating providers.

CHAPTER 330

An act to add Section 7104 to the Public Contract Code, relating to public works.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 8, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7104 is added to the Public Contract Code, to read:

7104. Any public works contract of a local public entity which involves digging trenches or other excavations that extend deeper than four feet below the surface shall contain a clause which provides the following:

(a) That the contractor shall promptly, and before the following conditions are disturbed, notify the public entity, in writing, of any:

(1) Material that the contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

(2) Subsurface or latent physical conditions at the site differing from those indicated.

(3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.

(b) That the public entity shall promptly investigate the

conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the contractor's cost of, or the time required for, performance of any part of the work shall issue a change order under the procedures described in the contract.

(c) That, in the event that a dispute arises between the public entity and the contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the contractor's cost of, or time required for, performance of any part of the work, the contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

CHAPTER 331

An act to amend Section 22651 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22651 of the Vehicle Code is amended to read:

22651. Any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code; or any regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city or a county in which a vehicle is located, may remove a vehicle located within the territorial limits in which the officer or employee may act, under any of the following circumstances:

(a) When any vehicle is left unattended upon any bridge, viaduct, or causeway or in any tube or tunnel where the vehicle constitutes an obstruction to traffic

(b) When any vehicle is parked or left standing upon a highway in a position so as to obstruct the normal movement of traffic or in a condition so as to create a hazard to other traffic upon the highway.

(c) When any vehicle is found upon a highway or any public lands and a report has previously been made that the vehicle has been stolen or a complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move the vehicle from in front of the driveway to another point on the

highway.

(e) When any vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move the vehicle from in front of the fire hydrant to another point on the highway.

(f) When any vehicle, except any highway maintenance or construction equipment, is stopped, parked, or left standing for more than four hours upon the right-of-way of any freeway which has full control of access and no crossings at grade and the driver, if present, cannot move the vehicle under its own power.

(g) When the person or persons in charge of a vehicle upon a highway or any public lands are, by reason of physical injuries or illness, incapacitated to an extent so as to be unable to provide for its custody or removal.

(h) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is, by this code or other law, required or permitted to take, and does take, the person into custody.

(i) (1) When any vehicle, other than a rented vehicle, is found upon a highway or any public lands and it is known to have been issued five or more notices of parking violation over a period of five or more days, to which the owner or person in control of the vehicle has not responded to the agency responsible for processing notices of parking violations, the vehicle may be impounded until that person furnishes to the impounding law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located and satisfactory evidence that bail has been deposited for all notices of parking violation issued for the vehicle. A notice of parking violation issued for an unlawfully parked vehicle shall be accompanied by a warning that repeated violations may result in the impounding of the vehicle. In lieu of requiring satisfactory evidence that the bail has been deposited, the impounding law enforcement agency may, in its discretion, issue a notice to appear for the offenses charged, as provided in Article 2 (commencing with Section 40500) of Chapter 2 of Division 17. In lieu of either furnishing satisfactory evidence that the bail has been deposited or accepting the notice to appear, that person may demand to be taken without unnecessary delay before a magistrate within the county in which the offenses charged are alleged to have been committed and who has jurisdiction of the offenses and is nearest or most accessible with reference to the place where the vehicle is impounded. Evidence of current registration shall be produced after a vehicle has been impounded or a notice to appear for violation of subdivision (a) of Section 4000 shall be issued to that person.

(2) A vehicle shall be released to the legal owner, as defined in Section 370, if the legal owner does all of the following:

(A) Pays the cost of towing and storing the vehicle.

(B) Submits evidence of payment of fees as provided in Section

9561.

(C) Completes an affidavit in a form acceptable to the impounding law enforcement agency stating that the vehicle was not in possession of the legal owner at the time of occurrence of the offenses relating to standing or parking. A vehicle released to a legal owner under this subdivision is a repossessed vehicle for purposes of disposition or sale. The impounding agency shall have a lien on any surplus that remains upon sale of the vehicle to which the registered owner is or may be entitled, as security for the deposit of bail for all notices of parking violations issued for the vehicle. The legal owner shall promptly remit to, and deposit with, the agency responsible for processing notices of parking violations from that surplus, on receipt thereof, bail for all notices of parking violations issued for the vehicle.

(j) When any vehicle is found illegally parked and there are no license plates or other evidence of registration displayed, the vehicle may be impounded until the owner or person in control of the vehicle furnishes the impounding law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located.

(k) When any vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing removal.

(*l*) When any vehicle is illegally parked on a highway in violation of any local ordinance forbidding standing or parking and the use of a highway, or a portion thereof, is necessary for the cleaning, repair, or construction of the highway, or for the installation of underground utilities, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(m) Wherever the use of the highway, or any portion thereof, is authorized by local authorities for a purpose other than the normal flow of traffic or for the movement of equipment, articles, or structures of unusual size, and the parking of any vehicle would prohibit or interfere with that use or movement, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(n) Whenever any vehicle is parked or left standing where local authorities, by resolution or ordinance, have prohibited parking and have authorized the removal of vehicles. No vehicle may be removed unless signs are posted giving notice of the removal.

(o) (1) When any vehicle is found upon a highway, any public lands, or an offstreet parking facility with a registration expiration date in excess of one year before the date it is found on the highway, public lands, or the offstreet parking facility. However, if the vehicle is occupied, only a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove the vehicle. For purposes of this subdivision, the vehicle shall be released to the owner or person in control of the vehicle only

after the owner or person furnishes the storing law enforcement agency with proof of current registration and a currently valid driver's license to operate the vehicle.

(2) As used in this subdivision, "offstreet parking facility" means any offstreet facility held open for use by the public for parking vehicles and includes any publicly owned facilities for offstreet parking, and privately owned facilities for offstreet parking where no fee is charged for the privilege to park and which are held open for the common public use of retail customers.

(p) When the peace officer issues the driver of a vehicle a notice to appear for a violation of Section 12500, 14601, 14601.1, or 14601.2 and there is no passenger in the vehicle who has a valid driver's license and authorization to operate the vehicle. Any vehicle so removed from the highway or any public lands shall not be released to the registered owner or his or her agent, except upon presentation of the registered owner's or his or her agent's currently valid driver's license to operate the vehicle and proof of current vehicle registration, or upon order of a court.

(q) Whenever any vehicle is parked for more than 24 hours on a portion of highway which is located within the boundaries of a common interest development, as defined in subdivision (c) of Section 1351 of the Civil Code, and signs, as required by Section 22658.2, have been posted on that portion of highway providing notice to drivers that vehicles parked thereon for more than 24 hours will be removed at the owner's expense, pursuant to a resolution or ordinance adopted by the local authority.

(r) When any vehicle is illegally parked and blocks the movement of a legally parked vehicle.

CHAPTER 332

An act to amend Section 1596.853 of the Health and Safety Code, relating to child day care.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1596.853 of the Health and Safety Code is amended to read:

1596.853. (a) Any person may request an inspection of any child day care facility in accordance with the California Child Day Care Facilities Act by transmitting to the department notice of an alleged violation of applicable requirements prescribed by the statutes or regulations of this state. A complaint may be made either orally or in writing.

(b) The substance of the complaint shall be provided to the

licensee no earlier than at the time of the inspection. Unless the complainant specifically requests otherwise, neither the substance of the complaint provided the licensee nor any copy of the complaint or any record published, released, or otherwise made available to the licensee shall disclose the name of any person mentioned in the complaint, except the name of any duly authorized officer, employee, or agent of the department conducting the investigation or inspection pursuant to this chapter.

(c) Upon receipt of a complaint, the department shall make a preliminary review and, unless the department determines that the complaint is willfully intended to harass a licensee or is without any reasonable basis, the department shall make an onsite inspection within 10 days after receiving the complaint, except where the visit would adversely affect the licensing investigation or the investigation of other agencies, including, but not limited to, law enforcement agencies. In either event, the complainant shall be promptly informed of the department's proposed course of action.

If the department determines that the complaint is without a reasonable basis, then the complaint shall be marked confidential and shall not be disclosed to the public. The child-care provider shall be notified in writing within 30 days of the dismissal that the complaint has been dismissed.

(d) (1) Upon issuance of a license for a child day care facility or upon denial, revocation, or temporary suspension of a license or within 24 hours of a finding that physical abuse or sexual abuse has occurred, the department shall notify the resource and referral agency funded under Section 8210 of the Education Code for that jurisdiction.

The resource and referral agency shall be notified of the final resolution.

(2) With the exception of parents seeking local day care service, any other entity specified in subdivision (b) of Section 1596.86 may request that the department provide the notification described in paragraph (1).

(e) When the department substantiates an allegation which it deems to be serious, in a facility funded by the Child Development Division of the State Department of Education pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code it shall notify the Child Development Division.

CHAPTER 333

An act to amend Section 1317 of the Health and Safety Code, relating to health facilities.

[Approved by Governor September 8, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares that it is necessary and appropriate to grant licensed clinical psychologists immunity from liability for refusal to provide emergency services offered within their authorized scope of practice in licensed health facilities.

(b) The immunity granted by this bill shall not be construed to affect the scope of licensure of any health care professional.

SEC. 2. Section 1317 of the Health and Safety Code is amended to read:

1317. (a) Emergency services and care shall be provided to any person requesting the services or care, or for whom services or care is requested, for any condition in which the person is in danger of loss of life, or serious injury or illness, at any health facility licensed under this chapter that maintains and operates an emergency department to provide emergency services to the public when the health facility has appropriate facilities and qualified personnel available to provide the services or care.

(b) In no event shall the provision of emergency services and care be based upon, or affected by, the person's race, ethnicity, religion, national origin, citizenship, age, sex, preexisting medical condition, physical or mental handicap, insurance status, economic status, or ability to pay for medical services, except to the extent that a circumstance such as age, sex, preexisting medical condition, or physical or mental handicap is medically significant to the provision of appropriate medical care to the patient.

(c) Neither the health facility, its employees, nor any physician and surgeon, dentist, clinical psychologist, or podiatrist shall be liable in any action arising out of a refusal to render emergency services or care if the refusal is based on the determination, exercising reasonable care, that the person is not suffering from an emergency medical condition, or that the health facility does not have the appropriate facilities or qualified personnel available to render those services.

(d) Emergency services and care shall be rendered without first questioning the patient or any other person as to his or her ability to pay therefor. However, the patient or his or her legally responsible relative or guardian shall execute an agreement to pay therefor or otherwise supply insurance or credit information promptly after the services are rendered.

(e) If a health facility subject to this chapter does not maintain an emergency department, its employees shall nevertheless exercise reasonable care to determine whether an emergency exists and shall direct the persons seeking emergency care to a nearby facility which can render the needed services, and shall assist the persons seeking emergency care in obtaining the services, including transportation services, in every way reasonable under the circumstances.

(f) No act or omission of any rescue team established by any health facility licensed under this chapter, or operated by the federal or state government, a county, or by the Regents of the University of California, done or omitted while attempting to resuscitate any person who is in immediate danger of loss of life shall impose any liability upon the health facility, the officers, members of the staff, nurses, or employees of the health facility, including, but not limited to, the members of the rescue team, or upon the federal or state government or a county, if good faith is exercised.

(g) "Rescue team," as used in this section, means a special group of physicians and surgeons, nurses, and employees of a health facility who have been trained in cardiopulmonary resuscitation and have been designated by the health facility to attempt, in cases of emergency, to resuscitate persons who are in immediate danger of loss of life.

(h) This section shall not relieve a health facility of any duty otherwise imposed by law upon the health facility for the designation and training of members of a rescue team or for the provision or maintenance of equipment to be used by a rescue team.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 334

An act to amend Section 5056 of, and to repeal Section 5057 of, the Business and Professions Code, relating to accountancy.

[Approved by Governor September 8, 1989. Filed with Secretary of State September 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 5056 of the Business and Professions Code is amended to read:

5056. Any person who has received from the board a certificate of public accountant and holds a valid permit to practice under this chapter shall be styled and known as a "public accountant" and may also use the abbreviation "P.A." No other person, except a partnership registered under Article 4 (commencing at Section 5070) or the holder of a certificate of certified public accountant issued by the board shall assume or use that title, designation, or abbreviation or any other title, designation, sign, card or device tending to indicate that the person using it is a public accountant.

SEC. 2. Section 5057 of the Business and Professions is repealed.

CHAPTER 335

An act to amend Section 1808.4 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1808.4 of the Vehicle Code is amended to read:

1808.4. The home address of the Attorney General, the State Public Defender, any Member of the Legislature, judge or court commissioner, or the spouse or children of a judge or commissioner, whether living with that person or not, district attorney, public defender, any attorney employed by the Department of Justice, office of the State Public Defender, or a county office of the district attorney or public defender, or a peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code or the spouse or children of a peace officer, whether living with the peace officer or not, or any employee of the Department of Corrections, the Department of the Youth Authority, or the Prison Industry Authority specified in Section 20017.77 and 20017.79 of the Government Code or the spouse or children of those employees,

whether living with those employees or not, appearing in any record of the department is confidential if the person requests confidentiality of that information, and shall not be disclosed to any person, except a court, a law enforcement agency, the State Board of Equalization, or any governmental agency to which, under any provision of law, information is required to be furnished from records maintained by the department. Any record of the department containing a confidential home address shall be open to public inspection, as provided in Section 1808, if the address is completely obliterated or otherwise removed from the record. The home address shall be withheld from public inspection for three years following termination of office or employment. The department shall inform any person who requests a confidential home address what agency the individual whose address was requested is employed by or the court at which the judge or court commissioner presides.

CHAPTER 336

An act to add Sections 809, 809.05, 809.1, 809.2, 809.3, 809.4, 809.5, 809.6, 809.7, 809.8, and 809.9 to the Business and Professions Code, relating to healing arts practitioners, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 8, 1989 Filed with Secretary of State September 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 809 is added to the Business and Professions Code, to read:

809. (a) The Legislature hereby finds and declares the following:

(1) In 1986, Congress enacted the Health Care Quality Improvement Act of 1986 (Chapter 117 (commencing with Section 11101) Title 42, United States Code), to encourage physicians to engage in effective professional peer review, but giving each state the opporunity to "opt-out" of some of the provisions of the federal act.

(2) Because of deficiencies in the federal act and the possible adverse interpretations by the courts of the federal act, it is preferable for California to "opt-out" of the federal act and design its own peer review system.

(3) Peer review, fairly conducted, is essential to preserving the highest standards of medical practice.

(4) Peer review which is not conducted fairly results in harm both to patients and healing arts practitioners by limiting access to care.

(5) Peer review, fairly conducted, will aid the appropriate state licensing boards in their responsibility to regulate and discipline

errant healing arts practitioners.

(6) To protect the health and welfare of the people of California, it is the policy of the State of California to exclude, through the peer review mechanism as provided for by California law, those healing arts practitioners who provide substandard care or who engage in professional misconduct, regardless of the effect of that exclusion on competition.

(7) It is the intent of the Legislature that peer review of professional health care services be done efficiently, on an ongoing basis, with an emphasis on early detection of potential quality problems and resolutions through informal educational interventions.

(8) Sections 809 to 809.8, inclusive, shall not affect the respective responsibilities of the organized medical staff or the governing body of an acute care hospital with respect to peer review in the acute care hospital setting. It is the intent of the Legislature that written provisions implementing Sections 809 to 809.8, inclusive, in the acute care hospital setting shall be included in medical staff bylaws which shall be adopted by a vote of the members of the organized medical staff and which shall be subject to governing body approval, which approval shall not be withheld unreasonably.

(9) (A) The Legislature thus finds and declares that the laws of this state pertaining to the peer review of healing arts practitioners shall apply in lieu of Chapter 117 (commencing with Section 11101) of Title 42 of the United States Code, because the laws of this state provide a more careful articulation of the protections for both those undertaking peer review activity and those subject to review, and better integrates public and private systems of peer review. Therefore, California exercises its right to opt out of specified provisions of the Health Care Quality Improvement Act relating to professional review actions, pursuant to subparagraph (B) of paragraph (2) of subdivision (c) of Section 11111 of Chapter 117 of Title 42 of the United States Code. This election shall not affect the availability of any immunity under California law.

(B) The Legislature further declares that it is not the intent or purposes of Sections 809 to 809.8, inclusive, to opt out of any mandatory national data bank established pursuant to Subchapter II (commencing with Section 11131) of Chapter 117 of Title 42 of the United States Code.

(b) For the purpose of this section and Sections 809.1 to 809.8, inclusive, "healing arts practitioner" or "licentiate" means a physician and surgeon, podiatrist, clinical psychologist, or dentist; and "peer review body" means a peer review body as specified in paragraph (1) of subdivision (a) of Section 805, and includes any designee of the peer review body.

SEC. 1.5. Section 809.05 is added to the Business and Professions Code, to read:

809.05. It is the policy of this state that peer review be performed by licentiates. Only licentiates who possess the same, or similar

education, training, and experience have the requisite expertise to ensure an efficacious, fair, and responsive peer review system. This policy is subject to the following limitations:

(a) The governing bodies of acute care hospitals have a legitimate function in the peer review process. In all peer review matters, the governing body shall give great weight to the actions of peer review bodies and, in no event, shall act in an arbitrary or capricious manner.

(b) In those instances in which the peer review body's failure to investigate, or initiate disciplinary action, is contrary to the weight of the evidence, the governing body shall have the authority to direct the peer review body to initiate an investigation or a disciplinary action, but only after consultation with the peer review body. No such action shall be taken in an unreasonable manner.

(c) In the event the peer review body fails to take action in response to a direction from the governing body, the governing body shall have the authority to take action against a licentiate. Such action shall only be taken after written notice to the peer review body and shall fully comply with the procedures and rules applicable to peer review proceedings established by Sections 809.1 to 809.6, inclusive.

(d) A governing body and the medical staff shall act exclusively in the interest of maintaining and enhancing quality patient care.

SEC. 2. Section 809.1 is added to the Business and Professions Code, to read:

809.1. (a) A licentiate who is the subject of a final proposed action of a peer review body for which a report is required to be filed under Section 805 shall be entitled to written notice as set forth in subdivisions (b) and (c). For the purposes of this section, the "final proposed action" shall be the final decision or recommendation of the peer review body after informal investigatory activity or prehearing meetings, if any.

(b) The peer review body shall give the licentiate written notice of the final proposed action. This notice shall include all the following information:

(1) That an action against the licentiate has been proposed by the peer review body which, if adopted, shall be taken and reported pursuant to Section 805.

(2) The final proposed action.

(3) That the licentiate has the right to request a hearing on the final proposed action.

(4) The time limit, within which to request such a hearing.

(c) If a hearing is requested on a timely basis, the peer review body shall give the licentiate a written notice stating all of the following:

(1) The reasons for the final proposed action taken or recommended, including the acts or omissions with which the licentiate is charged.

(2) The place, time, and date of the hearing.

SEC. 3. Section 809.2 is added to the Business and Professions Code, to read:

809.2. If a licentiate timely requests a hearing concerning a final proposed action for which a report is required to be filed under Section 805, the following shall apply:

(a) The hearing shall be held, as determined by the peer review body, before a trier of fact, which shall be an arbitrator or arbitrators selected by a process mutually acceptable to the licentiate and the peer review body, or before a panel of unbiased individuals who shall gain no direct financial benefit from the outcome, who have not acted as an accuser, investigator, factfinder, or initial decisionmaker in the same matter, and which shall include, where feasible, an individual practicing the same specialty as the licentiate.

(b) If a hearing officer is selected to preside at a hearing held before a panel, the hearing officer shall gain no direct financial benefit from the outcome, shall not act as a prosecuting officer or advocate, and shall not be entitled to vote.

(c) The licentiate shall have the right to a reasonable opportunity to voir dire the panel members and any hearing officer, and the right to challenge the impartiality of any member or hearing officer. Challenges to the impartiality of any member or hearing officer shall be ruled on by the presiding officer, who shall be the hearing officer if one has been selected.

(d) The licentiate shall have the right to inspect and copy at the licentiate's expense any documentary information relevant to the charges which the peer review body has in its possession or under its control, as soon as practicable after the receipt of the licentiate's request for a hearing. The peer review body shall have the right to inspect and copy at the peer review body's expense any documentary information relevant to the charges which the licentiate has in his or her possession or control as soon as practicable after receipt of the peer review body's request. The failure by either party to provide access to this information at least 30 days before the hearing shall constitute good cause for a continuance. The right to inspect and copy by either party does not extend to confidential information referring solely to individually identifiable licentiates, other than the licentiate under review. The arbitrator or presiding officer shall consider and rule upon any request for access to information, and may impose any safeguards the protection of the peer review process and justice requires.

(e) When ruling upon requests for access to information and determining the relevancy thereof, the arbitrator or presiding officer shall, among other factors, consider the following:

(1) Whether the information sought may be introduced to support or defend the charges.

(2) The exculpatory or inculpatory nature of the information sought, if any.

(3) The burden imposed on the party in possession of the information sought, if access is granted.

(4) Any previous requests for access to information submitted or resisted by the parties to the same proceeding.

(f) At the request of either side, the parties shall exchange lists of witnesses expected to testify and copies of all documents expected to be introduced at the hearing. Failure to disclose the identity of a witness or produce copies of all documents expected to be produced at least 10 days before the commencement of the hearing shall constitute good cause for a continuance.

(g) Continuances shall be granted upon agreement of the parties or by the arbitrator or presiding officer on a showing of good cause.

(h) A hearing under this section shall be commenced within 60 days after receipt of the request for hearing, and the peer review process shall be completed within a reasonable time, after a licentiate receives notice of a final proposed action or an immediate suspension or restriction of clinical privileges, unless the arbitrator or presiding officer issues a written decision finding that the licentiate failed to comply with subdivisions (d) and (e) in a timely manner, or consented to the delay.

SEC. 4. Section 809.3 is added to the Business and Professions Code, to read:

809.3. (a) During a hearing concerning a final proposed action for which reporting is required to be filed under Section 805, both parties shall have all of the following rights:

(1) To be provided with all of the information made available to the trier of fact.

(2) To have a record made of the proceedings, copies of which may be obtained by the licentiate upon payment of any reasonable charges associated with the preparation thereof.

(3) To call, examine, and cross-examine witnesses.

(4) To present and rebut evidence determined by the arbitrator or presiding officer to be relevant.

(5) To submit a written statement at the close of the hearing.

(b) The burden of presenting evidence and proof during the hearing shall be as follows:

(1) The peer review body shall have the initial duty to present evidence which supports the charge or recommended action.

(2) Initial applicants shall bear the burden of persuading the trier of fact by a preponderance of the evidence of their qualifications by producing information which allows for adequate evaluation and resolution of reasonable doubts concerning their current qualifications for staff privileges, membership, or employment. Initial applicants shall not be permitted to introduce information not produced upon request of the peer review body during the application process, unless the initial applicant establishes that the information could not have been produced previously in the exercise of reasonable diligence.

(3) Except as provided above for initial applicants, the peer review body shall bear the burden of persuading the trier of fact by a preponderance of the evidence that the action or recommendation is reasonable and warranted.

(c) The peer review body shall adopt written provisions

governing whether a licentiate shall have the option of being represented by an attorney at the licentiate's expense. No peer review body shall be represented by an attorney if the licentiate is not so represented.

SEC. 5. Section 809.4 is added to the Business and Professions Code, to read:

809.4. (a) Upon the completion of a hearing concerning a final proposed action for which a report is required to be filed under Section 805, the licentiate and the peer review body involved have the right to receive all of the following:

(1) A written decision of the trier of fact, including findings of fact and a conclusion articulating the connection between the evidence produced at the hearing and the decision reached.

(2) A written explanation of the procedure for appealing the decision, if any appellate mechanism exists.

(b) If an appellate mechanism is provided, it need not provide for de novo review, but it shall include the following mimimum rights for both parties:

(1) The right to appear and respond.

(2) The right to be represented by an attorney or any other representative designated by the party.

(3) The right to receive the written decision of the appellate body.

SEC. 6. Section 809.5 is added to the Business and Professions Code, to read:

809.5. (a) Notwithstanding Sections 809 to 809.8, inclusive, a peer review body may immediately suspend or restrict clinical privileges of a licentiate where the failure to take that action may result in an imminent danger to the health of any individual, provided that the licentiate is subsequently provided with the notice and hearing rights set forth in Sections 809.1 to 809.4, inclusive.

(b) When no person authorized by the peer review body is available to summarily suspend or restrict clinical privileges under circumstances specified in subdivision (a), the governing body of an acute care hospital, or its designee, may immediately suspend a licentiate's clinical privileges if a failure to summarily suspend those privileges is likely to result in an imminent danger to the health of any individual, provided the governing body of the acute care hospital has, before the suspension, made reasonable attempts to contact the peer review body. A suspension by the governing body of an acute care hospital which has not been ratified by the peer review body within two working days, excluding weekends and holidays, after the suspension shall terminate automatically.

SEC. 7. Section 809.6 is added to the Business and Professions Code, to read:

809.6. (a) The parties are bound by any additional notice and hearing provisions contained in any applicable professional society or medical staff bylaws which are not inconsistent with Sections 809.1 to 809.4, inclusive.

(b) The parties are bound by any additional notice and hearing provisions contained in any applicable agreement or contract between the licentiate and peer review body or health care entity which are not inconsistent with Sections 809.1 to 809.4, inclusive.

(c) The provisions of Sections 809.1 to 809.4, inclusive, may not be waived in any instrument specified in subdivision (a) or (b) for a final proposed action for which a report is required to be filed under Section 805.

SEC. 8. Section 809.7 is added to the Business and Professions Code, to read:

809.7. Sections 809.1 to 809.4, inclusive, shall not apply to peer review proceedings conducted in state or county hospitals, in hospitals owned by, operated by, or licensed to the Regents of the University of California or any of its subsidiary corporations which serve as a primary teaching facility, or in health facilities which serve as the primary teaching facility for medical schools approved pursuant to Section 2084. In addition, Sections 809.1 to 809.4, inclusive, shall not apply to licentiates engaged in postgraduate medical education under the auspices of a medical school approved pursuant to Section 2084. This section shall not affect the obligation to afford due process of law to licentiates involved in peer review proceedings in these hospitals.

SEC. 9. Section 809.8 is added to the Business and Professions Code, to read:

809.8. Nothing in Sections 809 to 809.7, inclusive, shall affect the availability of judicial review under Section 1094.5 of the Code of Civil Procedure nor the provisions relating to discovery and testimony in Section 1157 of the Evidence Code or Sections 1370 and 1370.1 of the Health and Safety Code.

SEC. 9.5. Section 809.9 is added to the Business and Professions Code, to read:

809.9. In any suit brought to challenge an action taken or a restriction imposed which is required to be reported pursuant to Section 805, the court shall, at the conclusion of the action, award to a substantially prevailing party the cost of the suit, including a reasonable attorney's fee, if the other party's conduct in bringing, defending, or litigating the suit was frivolous, unreasonable, without foundation, or in bad faith. For the purposes of this section, a defendant shall not be considered to have substantially prevailed when the plaintiff obtains an award for damages or permanent injunctive or declaratory relief. For the purpose of this section, a plaintiff shall not be considered to have substantially prevailed when the plaintiff does not obtain an award of damages or permanent injunctive or declaratory relief.

SEC. 10. In the event that Congress enacts legislation declaring that the federal Health Care Quality Improvement Act of 1986 is supplemental to, and is not preemptive of, any immunity or due process right provided by the statutory or decisional law of this state and declaring that in the event that any provisions of the federal

Health Care Quality Improvement Act of 1986 conflict with state law, then state law shall prevail; then the provisions of this act opting out of the federal Health Care Quality Improvement Act of 1986 shall be null and void.

SEC. 11. (a) Sections 1 and 10 of this act shall become operative at the time this act goes into effect.

(b) Sections 1.5, 2, 3, 4, 5, 6, 7, 8, 9, and 9.5 shall become operative on January 1, 1990.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The federal Health Care Quality Improvement Act of 1986 provides that unless a state opts out of the federal law by October 14, 1989, the provisions of the federal law concerning state immunities and due process shall automatically apply. Therefore, in order to ensure that state law rather than federal law shall apply with respect to the immunities and due process rights to be provided when there is peer review of healing arts practitioners, it is necessary that this act take effect immediately.

CHAPTER 337

An act to amend Section 212 of the Public Utilities Code, relating to common carriers.

[Approved by Governor September 11, 1989 Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 212 of the Public Utilities Code is amended to read:

212. "Common carrier" shall not include:

(a) Any corporation or person owning, controlling, operating, or managing any vessel, by reason of the furnishing of water transportation service between points upon the inland waters of this state or upon the high seas between points within this state for affiliated or parent or subsidiary companies or for the products of other corporations or persons engaged in the same industry, if such water transportation service is furnished in tank vessels or barges specially constructed to hold liquids or fluids in bulk and if such service is not furnished to others not engaged in the same industry.

(b) Any corporation or person who operates any vessel for the transportation of persons for compensation, between points in this state if one terminus of every trip operated by the corporation or person is within the boundaries of a U.S. military reservation and is performed under a contract with an agency of the federal

government which specifies the terms of service to be provided; and provided that the corporation or person does not perform any service between termini within this state which are outside of a U.S. military reservation. For the purposes of this subdivision, the conditions of this exemption shall be reviewed by the Public Utilities Commission annually as of the first day of January of each year.

(c) Any corporation or person owning, controlling, operating, or managing any recreational conveyance such as a ski lift, ski tow, J-bar, T-bar, chair lift, aerial tramway, or other such device or equipment used primarily while participating in winter sports activities.

(d) Any highway permit carrier as defined in Section 3515.

(e) Any corporation or person furnishing or otherwise providing transportation by horse, mule, or other equine animal for entertainment or recreational purposes.

CHAPTER 338

An act to amend, repeal, and add Section 22507.8 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 22507.8 of the Vehicle Code is amended to read:

22507.8. (a) It is unlawful for any person to park or leave standing any vehicle in a stall or space designated for disabled persons and disabled veterans, which stall or space is indicated by either signs or markings, or both, as specified in Section 22511.7 or 22511.8, unless the vehicle displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5.

(b) It is unlawful for any person to obstruct, block, or otherwise bar access to those parking stalls or spaces except as provided in subdivision (a).

(c) Subdivisions (a) and (b) apply to all offstreet parking facilities owned or operated by the state, and to all offstreet parking facilities owned or operated by a local authority. Subdivisions (a) and (b) also apply to any privately owned and maintained offstreet parking facility.

(d) This section shall be remain in effect only until January 1, 1991, and as of that date is repealed unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 2. Section 22507.8 is added to the Vehicle Code, to read:

22507.8. (a) It is unlawful for any person to park or leave

standing any vehicle in a stall or space designated for disabled persons and disabled veterans pursuant to Section 22511.7 or 22511.8, unless the vehicle displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5.

(b) It is unlawful for any person to obstruct, block, or otherwise bar access to those parking stalls or spaces except as provided in subdivision (a).

(c) Subdivisions (a) and (b) apply to all offstreet parking facilities owned or operated by the state, and to all offstreet parking facilities owned or operated by a local authority. Subdivisions (a) and (b) also apply to any privately owned and maintained offstreet parking facility.

(d) This section shall become operative on January 1, 1991.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that any misunderstandings regarding disabled person and disabled veteran parking spaces may be clarified as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 339

An act to add Section 4121 to the Public Resources Code, relating to public resources.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4121 is added to the Public Resources Code, to read:

4121. (a) The Department of Forestry and Fire Protection shall conduct a research study to determine methods to treat, reduce, or eliminate dieback of chaparral shrubs in brushlands in southern California in order to increase fire prevention by reducing chaparral flammability and to provide environmental conservation by

reducing a threat to valuable watershed areas.

(b) The research study shall do, but is not limited to, all of the following:

(1) Determine specifically how the chaparral dieback affects fire behavior in a short-term study project.

(2) Determine if there is a link between air pollution and chaparral dieback.

(3) Determine if the chaparral dieback is induced by a specific pathogen.

(4) Determine if drought affects the mortality of Ceanothus shrubs.

(5) Develop remote measuring methods for seasonal changes in chaparral flammability.

(6) Using the above research information and any other appropriate research, prescribe methods to treat, reduce, or eliminate dieback in chaparral shrub areas of southern California.

(c) The department shall cooperate with the Forest Service of the United States Department of Agriculture and other entities with appropriate interests in the detection, research, and treatment of the chaparral dieback. The department shall submit annual progress reports on the research study to the Joint Committee on Fire, Police, Emergency, and Disaster Services, and shall submit a final report to the Senate Committee on Natural Resources and Wildlife, the Assembly Committee on Natural Resources, and the Joint Committee on Legislative Budget by June 30, 1993.

CHAPTER 340

An act to add Section 56162 to the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 11, 1989 Filed with Secretary of State September 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 56162 is added to the Food and Agricultural Code, to read:

56162. This chapter does not apply to any person that buys, receives, or otherwise handles any farm product for human consumption whose business is the distribution or sale of the farm product to persons who regularly operate mobile vehicles, mobile food preparation units, or vending machines on routes and who sell the farm product directly to the consumer. However, this chapter applies to any such person who purchases farm products from a producer.

CHAPTER 341

An act to amend Section 56161 of, and to amend and repeal Section 42685 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 11, 1989 Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 42685 of the Food and Agricultural Code is amended to read:

42685. (a) Upon recommendation of the commissioner and upon making a finding that extraordinary circumstances have resulted in the need for inspection of imported fruits, nuts, or vegetables pursuant to this division, the board of supervisors of a county may establish a schedule of fees to be charged the importer, by the commissioner, for the recovery of costs connected with the commissioner's inspection in order to assure compliance with this division. This authority applies only to inspections conducted at ports of entry or points of initial availability inspected by the commissioner.

(b) (1) The authority of the board of supervisors to establish a schedule of fees under this section applies only when a mandatory inspection or certification program presently exists in the state for the same commodity and where a fee is collected pursuant to authority granted in Article 5 (commencing with Section 42761) or Article 6 (commencing with Section 42791).

(2) In no case may the fees established for inspection of imported fruits, nuts, and vegetables exceed the fees set for the mandatory inspection or certification program.

(3) The director may adopt regulations, including, but not limited to, establishing recommended county enforcement cost recovery fees.

(c) In addition to any other penalties available under the law, the commissioner may place a hold order on any lot of fruits, nuts, or vegetables on which he or she has assessed a fee pursuant to this section if the importer has failed to pay that fee.

(d) This section shall remain in effect only until January 1, 1993, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

SEC. 2. Section 56161 of the Food and Agricultural Code is amended to read:

56161. This chapter does not apply to or include any of the following:

(a) Any nonprofit cooperative association organized and operating pursuant to Chapter 1 (commencing with Section 54001), any nonprofit cooperative association organized and operating pursuant to any similar law of any other state, the District of

Columbia, or the United States, or the agents of these organizations, except as to the activities of these organizations or agents which involve the handling of, or dealing in, any farm product of a nonmember of the organization.

(b) Any person or exchange that buys, receives, or otherwise handles any farm product as a processor, as defined in Section 55407.

(c) Any retail merchant who has a fixed or established place of business in this state. This exemption does not, however, apply to retail merchants who are also engaged in the business of selling, at wholesale, any farm product purchased from a licensee or producer. Nor does it apply to any transaction wherein possession of any farm product is obtained from a licensee or producer, and the farm product is sold to another person without being handled in the regular course of a retail business which is conducted at a fixed and established place.

(d) Any person who buys any farm product for his or her own use or consumption.

(e) Any person licensed as a distributor or handler under Chapter 2 (commencing with Section 61801) of Part 3 of Division 21 who purchases farm products from a dealer, broker, or commission merchant. However, this chapter applies to any such licensed person who purchases farm products from a producer.

(f) Any person licensed as a landscape contractor pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.

(g) Any person, not otherwise required to be licensed pursuant to this chapter, that buys or otherwise acquires possession of any farm product from, and processed by, a nonprofit cooperative association to which subdivision (a) is applicable.

CHAPTER 342

An act to amend Section 19816.16 of the Government Code, relating to state employees.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19816.16 of the Government Code is amended to read:

19816.16. The department shall implement the State Employee Assistance Program established by Executive Order B96-82 and may enter into one or more contracts to provide problem assessment and referral services. If the department enters into one or more contracts, the Controller shall transfer from the operating budgets of departments participating in the contract to the State Payroll

Revolving Fund, an amount sufficient to fund each department's per capita cost, including state administrative fees. The Controller shall pay the contractor or contractors pursuant to the master payment schedule and monthly certification from the department.

CHAPTER 343

An act to add Section 1463.27 to the Penal Code, and to add Section 4291.1 to the Public Resources Code, relating to fire protection.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1463.27 is added to the Penal Code, to read:

1463.27. (a) Notwithstanding Section 1463, out of the moneys deposited with the county treasurer pursuant to Section 1463, there shall be transferred to and placed in a special fund, once a month, and credited to the Department of Forestry and Fire Protection, or credited to any jurisdiction that provides fire protection for the department by contract and for which the county treasurer is the depositary, an amount equal to 80 percent of all fines and forfeitures collected during the preceding month upon the conviction of, or upon the forfeiture of bail from, any person arrested or notified by an officer of the Department of Forestry and Fire Protection or of such a jurisdiction. An amount equal to the remaining 20 percent shall be transferred into the general fund of the county.

(b) Money credited to the Department of Forestry and Fire Protection, pursuant to subdivision (a) shall be used to fund additional fire prevention and law enforcement programs, and shall not supplant general funds allocated to existing programs.

SEC. 2. Section 4291.1 is added to the Public Resources Code, to read:

4291.1. (a) Notwithstanding Section 4021, a violation of Section 4291 is an infraction punishable by a fine of not less than one hundred dollars ($100), nor more than five hundred dollars ($500). If a person is convicted of a second violation of Section 4291 within five years, that person shall be punished by a fine of not less than two hundred fifty dollars ($250), nor more than five hundred dollars ($500). If a person convicted of a violation of Section 4291 is granted probation, the court shall impose as a term or condition of probation, in addition to any other term or condition of probation, that the person pay at least the minimum fine prescribed in this section.

(b) If a person convicted of a violation of Section 4291 produces in court verification prior to imposition of a fine by the court, that the condition resulting in the citation no longer exists, the court may reduce the fine imposed for the violation of Section 4291 to fifty

dollars ($50).

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 344

An act to add Article 4.5 (commencing with Section 12396) to Chapter 1 of Part 6 of Division 2 of the Insurance Code, relating to insurance.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Article 4.5 (commencing with Section 12396) is added to Chapter 1 of Part 6 of Division 2 of the Insurance Code, to read:

Article 4.5. Business Plans

12396. (a) For purposes of this article, "controlled business source" means an affiliate, as defined in subdivision (a) of Section 1215, of any title insurer, controlled escrow company, or underwritten title company.

(b) For purposes of this article:

(1) "License" means a securities permit issued to a title insurance entity, a license to operate as an underwritten title company, or a certificate of authority to act as a title insurer.

(2) "Licensee" means the holder of a license.

(c) For purposes of this article, a title order shall be deemed to emanate from a controlled business source if the controlled business source is acting in the capacity of a principal, lender, representative, or agent of any of the parties to the transaction, or any other person or entity with which the reporting entity has an agreement, written or otherwise, whereby title orders are traded or otherwise exchanged in order to achieve compliance with this article.

12397. Any applicant for a license shall indicate the applicant's

intent to actively compete in the marketplace for title insurance in each county in which the applicant seeks to or does conduct the business of title insurance. The failure to so indicate shall constitute grounds for denial of the license. Each applicant for a license shall also demonstrate that its plan of operation and intended course of business conduct will not involve reliance for more than 50 percent of its closed title orders from controlled business sources.

12397.5. (a) Each licensee shall make submissions as are required by the Department of Insurance to enable the department to determine the nature and extent of the licensee's efforts to actively compete in each county in which it transacts its business. The licensee shall maintain records of its title orders sufficient to indicate the source of the title orders.

(b) Competitive behavior shall be measured by the source of closed title orders in each county in which the licensee engages in the title business and by the entity's progress toward meeting the 50 percent objective specified in Section 12397, as indicated in the annual, verified report filed pursuant to subdivision (c).

(c) Within 90 days following the end of each business year, as established by the licensee, each licensee shall file with the commissioner, and any title insurer with which the licensee maintains an underwriting agreement, a verified report executed by the licensee's chief executive officer or his or her designee under penalty of perjury, stating the percent of closed title orders for each county originating from controlled and noncontrolled business sources. Each title insurer that maintains an underwriting agreement with another licensee shall, within 30 days after receipt of this report, file with the commissioner a verified statement, signed by the licensee's chief executive officer or by his or her designee under penalty of perjury, that the report is substantially correct or that insufficient information is contained in the report to enable an opinion to be formed concerning the correctness of the report.

(d) Upon receipt by the department of a verified statement, signed under penalty of perjury, that less than 5 percent of the business a licensee transacts emanates from controlled business sources, the licensee shall be relieved of further reporting under this article, but shall be subject to reporting under subdivision (c) at any time that 5 percent or more of the business which the licensee transacts emanates from controlled business sources.

12398. The failure of an applicant or licensee to comply with any of the requirements of this article shall be grounds for the denial of an application for a license, the suspension or revocation of an issued license, or other disciplinary action determined by the commissioner, in accordance with procedures prescribed by law therefor.

12399. Nothing in this article shall limit or preclude the consideration or approval of an application for a license, except as expressly provided in this article.

CHAPTER 345

An act relating to the Public Utilities Commission, and making an appropriation therefor.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Public Utilities Commission shall report to the Legislature by January 1, 1991, on issues relating to the growth of unsolicited telefacsimile marketing communications. The report shall include, but need not be limited to, a discussion of all of the following issues:

(a) How significant the growth of unsolicited telefacsimile marketing communications is or may become in the near future.

(b) What the cost of the telephone service and materials are to both the sender and the receiver.

(c) Revenue projections to the utility in connection with growth projections.

(d) Ways to prevent unwanted telefacsimile advertising messages from being sent, including disincentives which can be established, or charges which may be levied.

(e) Whether prohibiting unwanted telefacsimile solicitations is possible, and whether enforcement by other than criminal sanction is possible and would be a deterrent to the sending of unsolicited telefacsimile solicitations.

SEC. 2. The sum of ninety thousand dollars ($90,000) is hereby appropriated from the Public Utilities Commission Utilities Reimbursement Account to the Public Utilities Commission for the purpose of preparing the report required by Section 1 of this act.

CHAPTER 346

An act to amend Section 10128.3 of the Insurance Code, relating to health coverage.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 11, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10128.3 of the Insurance Code is amended to read:

10128.3. (a) Any carrier providing replacement coverage with respect to hospital, medical or surgical benefits on an expense-incurred or service basis within a period of 60 days from the

date of discontinuance of a prior policy providing that hospital, medical or surgical benefits shall immediately cover all employees and dependents who were validly covered under the previous policy at the date of discontinuance, are within the definitions of eligibility under the succeeding carrier's policy, and who would otherwise be eligible for coverage under the succeeding carrier's policy, regardless of any provisions of the policy relating to active full-time employment or hospital confinement or pregnancy. However, with respect to employees or dependents who are totally disabled on the date of discontinuance of the prior carrier's contract or policy and entitled to an extension of benefits pursuant to subdivision (b) of Section 1399.62 of the Health and Safety Code, or pursuant to subdivision (d) of Section 10128.2, the succeeding carrier is not required to provide benefits for services or expenses directly related to any conditions which caused the total disability.

(b) Except as otherwise provided in subdivision (a), until an employee or dependent entitled to coverage under a succeeding carrier's policy pursuant to subdivision (a) of this section qualifies for full benefits by meeting all effective date requirements of the succeeding carrier's policy, the level of benefits shall not be lower than the benefits provided under the prior carrier's policy reduced by the amount of benefits paid by the prior carrier. The employee or dependent shall continue to be covered by the succeeding carrier until the earlier of the following dates:

(1) The date coverage would terminate for an employee or dependent in accordance with the provisions of the succeeding carrier's policy.

(2) In the case of an employee or dependent who was totally disabled on the date of discontinuance of the prior carrier's policy and entitled to an extension of benefits pursuant to subdivision (b) of Section 1399.62 of the Health and Safety Code, or subdivision (d) of Section 10128.2, the date the period of extension of benefits terminates, or, if the prior carrier's policy is not subject to this article, the date to which benefits would have been extended had the prior carrier's policy been subject to this article.

(c) Except as otherwise provided in this section, and except to the extent that benefits for the condition would have been reduced or excluded under the prior carrier's policy, no provision in a succeeding carrier's policy of replacement coverage which would operate to reduce or exclude benefits on the basis that the condition giving rise to benefits preexisted the effective date of the succeeding carrier's policy shall be applied with respect to those employees and dependents validly insured under the prior carrier's policy on the date of discontinuance.

(d) In a situation where a determination of the prior carrier's benefit is required by the succeeding carrier, at the succeeding carrier's request, the prior carrier shall furnish a statement of benefits available or pertinent information, sufficient to permit verification of the benefit determination by the succeeding carrier.

(e) For purposes of subdivision (a), a succeeding carrier's policy shall not exclude coverage of a dependent child who was covered by the previous carrier solely because the insured does not provide primary support for that dependent child.

(f) The fraudulent failure or refusal of an employee or dependent to disclose a preexisting condition to the succeeding carrier shall not be ascribed to the entire group and shall not alleviate the duty of a succeeding carrier under subdivision (a) to immediately cover all employees and dependents who were validly covered under the previous policy on the date of discontinuance. Any denial of benefits on the basis of fraud shall be limited to the employee or dependent who committed the fraud.

SEC. 2. It is the intent of the Legislature in enacting this act to prevent abuse by successor carriers in discontinuing group coverage for an entire group due to the failure of a member of the group to disclose a preexisting health condition.

CHAPTER 347

An act to amend Sections 703, 4007, 4052, 6490.3, 10326, 17022, 17182, and 27023 of the Elections Code, relating to elections.

[Approved by Governor September 11, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 703 of the Elections Code is amended to read:

703. (a) Cancellation is made by writing or stamping on the affidavit of registration the word "canceled," the reason the affidavit was canceled, and the date of cancellation.

(b) Whenever a voter transfers his registration from one precinct to another precinct in the same county, or reregisters in another precinct in the same county as shown by the new affidavit of registration, the county elections official shall immediately cancel the affidavit of registration from the precinct in which the voter was first registered, and shall remove the affidavit from the file of uncanceled affidavits.

(c) Except as provided in Section 315, whenever a voter removes from one county to another county and registers in the latter county, the county elections official of the county in which he was first registered, upon being informed of his removal either by the voter personally or by receipt of a notice of reregistration under the provisions of Section 313, shall likewise cancel his registration and remove the affidavit of registration in that county.

(d) All canceled affidavits of registration shall be preserved by the county elections official as required in Section 14500.

(e) The county elections official in distributing to each precinct the three indexes of registration, as required by this chapter, shall cross out of those indexes the names of all voters whose affidavits of registration from the precinct have been canceled.

SEC. 2. Section 4007 of the Elections Code is amended to read:

4007. Each section shall have attached thereto the declaration of the person soliciting the signatures. This declaration shall be substantially in the same form as set forth in Section 3519 except that the declaration shall declare that the circulator is a voter of the city and shall state the voter's residence address at the time of the execution of the declaration.

SEC. 3. Section 4052 of the Elections Code is amended to read:

4052. (a) Across the top of each page of the referendum petition there shall be printed the following:

"Referendum Against an Ordinance Passed by the City Council"

(b) Each section of the referendum petition shall contain the identifying number or title and text of the ordinance or the portion of the ordinance which is the subject of the referendum.

The petition sections shall be designed in the same form as specified in Section 3516.

(c) Each section shall have attached thereto the declaration of the person soliciting the signatures. This declaration shall be substantially in the same form as set forth in Section 3519, except that the declaration shall declare that the circulator is a voter of the city and shall state his or her residence address at the time of the execution of the declaration.

SEC. 4. Section 6490.3 of the Elections Code is amended to read:

6490.3. (a) Notwithstanding any other provision of law, except for an election for a judicial office, an election shall not be conducted and no votes cast for the office shall be counted, and if counted the votes shall be null and void, if an incumbent is a candidate for a nonpartisan statewide, countywide, or citywide office, or for a nonpartisan office which is elected by division, area, or district, which he or she currently holds at an election at which only one other candidate, excluding any write-in candidates, has qualified to have his or her name placed on the ballot for that office, and either the challenger or the incumbent dies after the hour of 12:01 a.m. of the 68th day before the election.

(b) A special election shall be called and held when the death of the challenger or the incumbent occurs within the period set in subdivision (a). The special election shall be called by the appropriate governing body within 14 days after the death of the incumbent or challenger. The special election shall be held no later than 88 days after the proclamation or resolution calling the election. Candidates at the special election shall be nominated in accordance with Chapter 5 (commencing with Section 6400) of Division 6, except that forms for securing signatures in lieu of a filing fee need

not be made available until 15 days before the first day for circulating nomination papers, in-lieu-filing-fee petitions shall be filed at least seven days prior to the closing of the nomination period, nomination papers shall be delivered for filing to the county clerk not less than 68 days and not more than 87 days before the special election, any candidate's statement shall be filed with the clerk no later than the 68th day before the special election, and the Secretary of State shall conduct the randomized alphabet drawing under procedures similar to Sections 10217 and 10217.5 on the 67th day before the special election. Any candidate who paid a filing fee in connection with the previously scheduled election shall not be required to pay any additional filing fee but shall be required to file new nomination papers.

(c) The Secretary of State or clerk shall take appropriate action to ensure that voters do not erroneously vote in a canceled election.

SEC. 5. Section 10326 of the Elections Code is amended to read:

10326. The device for marking the ballot may be of any size, shape or form, and the impression made on the ballot may be in the form of a cross, square, circle, rectangle, or any other design that will clearly indicate the choice of the voter. Any type of ink or other substance that will clearly show the voter's choice may be used in or in conjunction with the marking device.

SEC. 6. Section 17022 of the Elections Code is amended to read:

17022. The precinct board shall enclose and seal in one or two packages, as determined by the clerk:

(a) Two tally sheets.

(b) The roster of voters.

(c) The copy of the index used as the voting record.

(d) The challenge list.

(e) The assisted voter's list.

SEC. 7. Section 17182 of the Elections Code is amended to read:

17182. Section 14950 shall apply unless a court orders the program held pending the conclusion of litigation challenging the outcome of an election. If court action or an official recount is initiated while the program is on deposit, the Secretary of State shall make the program available to the court or the elections official in whose jurisdiction the court action or recount takes place, upon written request.

SEC. 8. Section 27023 of the Elections Code is amended to read:

27023. (a) Within seven days after the filing of the notice of intention, the officer sought to be recalled may file with the clerk, or in the case of a state officer, the Secretary of State, an answer, in not more than 200 words, to the statement of the proponents.

(b) If an answer is filed, the officer shall, within seven days after the filing of the notice of intention, also serve a copy of it, by personal delivery or by certified mail, on one of the proponents named in the notice of intention.

(c) The answer shall include the printed name, signature, and business or residence address of the officer sought to be recalled.

CHAPTER 348

An act to repeal and add Section 14148.4 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14148.4 of the Welfare and Institutions Code is repealed.

SEC. 2. Section 14148.4 is added to the Welfare and Institutions Code, to read:

14148.4. (a) The department shall eliminate the Medi-Cal reimbursement differential for obstetrical services by equalizing the rates of reimbursement for Caesarean section and non-Caesarean section care and delivery services. In implementing this section, savings that otherwise would have accrued due to lowered rates of reimbursement for Caesarean section services shall be used to fund across-the-board rate increases for all maternity care and delivery services.

(b) Revisions to the existing rate structure required to implement this section shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted to implement this act shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

CHAPTER 349

An act to amend Sections 3051, 3121, 3151 and 3171 of the Public Utilities Code, and to add Section 24406.5 to the Revenue and Taxation Code, relating to cooperative associations.

[Approved by Governor September 11, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 3051 of the Public Utilities Code is amended to read:

3051. Three or more natural persons, all of whom are residents of

this state, who are engaged in the production of gas within this state, may form an association pursuant to this chapter for the purpose of engaging in any activity in connection with any of the following:

(a) The selling of gas produced by its members.

(b) The storing, handling, transportation, or utilization of gas or the manufacturing or making of byproducts of gas.

(c) The manufacturing, selling, or supplying to its members of machinery, equipment, or supplies directly related to the production, transmission, storage, or marketing of gas.

(d) The financing of any activity specified in this section.

(e) The representation of its members in bargaining and negotiations concerning any sale of gas to a third party, either pursuant to an existing contract or a new contract.

SEC. 1.1. Section 3121 of the Public Utilities Code is amended to read:

3121. An association may engage in any activity in connection with the selling, transporting, or storing of gas which is produced and delivered to it by its members; in any activity in connection with the purchase, hiring, or use by its members of supplies, machinery, or equipment directly related to the production, transmission, storage, or marketing of gas, or in the financing of any of these activities; or in any one or more of the activities which are specified in this section.

SEC. 1.2. Section 3151 of the Public Utilities Code is amended to read:

3151. (a) Any share or membership issued by an association is exempt from Part 2 (commencing with Section 25100) of Division 1 of Title 4 of the Corporations Code if the aggregate investment of a shareholder or member in shares or memberships sold by an association does not exceed one thousand dollars ($1,000).

(b) This exemption does not apply to the shares or memberships in an association if any promoter of those shares or memberships expects or intends to make a profit directly or indirectly from any business or activity associated with the association or from the operation of the association or to receive a salary or other remuneration from the association. Furthermore, this exemption does not apply to nonvoting shares or memberships in an association issued to any person who does not possess, and who will not acquire in connection with the issuance of nonvoting memberships, voting power in the association.

SEC. 2. Section 3171 of the Public Utilities Code is amended to read:

3171. Under the terms and conditions which are prescribed in the bylaws adopted by it, an association may admit as members or issue common stock to only those persons engaged in the production of gas which is to be handled by or through the association, or that use or employ any service or facility offered by the association on, or in connection with, land which is used for the production of gas, including the lessees and tenants of land which is used for the production of gas and any lessors, including any lessors, sublessors, or

landlords that received as royalty, overriding royalty or rent, all or part of the gas or the value thereof, which is produced on the leased premises, and landlords that receive as rent all or part of the gas which is produced on the leased premises.

SEC. 3. Section 24406.5 is added to the Revenue and Taxation Code, to read:

24406.5. (a) In the case of gas producers' cooperative associations organized and operated as cooperative corporations pursuant to Chapter 1 (commencing with Section 3001) of Part 4 of Division 1 of the Public Utilities Code, whose income is principally derived from the sale in the regular course of business of tangible personal property other than water, agricultural products or food sold at wholesale, all patronage refunds paid or accrued to patrons if the patronage refunds are made and allocated as follows:

(1) Made pursuant to a preexisting obligation which is created by the association's bylaws or other written instrument.

(2) Made from earnings which are attributable to business done by the association with the patrons to whom the patronage refunds are made, and allocated ratably according to patronage.

(3) Allocated, and the patrons to whom the patronage refunds are to be made are notified of the allocation, on or before the due date for the filing of the association's franchise tax return, including any extension of time, pursuant to this part, for the year in which the patronage occurred.

(b) Each cooperative corporation shall certify to the Franchise Tax Board its eligibility for the deduction provided by this section. Certification shall be made at the time and in the manner prescribed by the Franchise Tax Board in forms or instructions.

CHAPTER 350

An act to amend Section 7065 of the Business and Professions Code, relating to contractors.

[Approved by Governor September 11, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 7065 of the Business and Professions Code is amended to read:

7065. Under rules and regulations adopted by the board and approved by the director, the registrar shall investigate, classify, and qualify applicants for contractors' licenses by written examination. This examination shall include questions designed to show that the applicant has the necessary degree of knowledge required by Section 7068 and shall include pertinent questions relating to the laws of this state, and the contracting business and trade. Contractors' licenses

are to be issued to individual owners, copartnerships, and corporations. An individual owner may qualify by examination for a contractor's license upon the appearance of the owner or a qualifying individual appearing as a responsible managing employee on behalf of the owner. A copartnership may qualify by examination for a contractor's license upon the appearance of a copartner or a qualifying individual appearing as a responsible managing employee. A corporation may qualify by examination for a contractor's license upon the appearance of a qualifying individual appearing either as a responsible managing officer or a responsible managing employee. No examination shall be required of a qualifying individual if, within the five-year period immediately preceding the application for licensure, the qualifying individual has either personally passed the written examination for the same classification being applied for, or has served as the qualifying individual for a licensee whose license was in good standing at any time during the five-year period immediately preceding the application for licensure and in the same classification being applied for.

CHAPTER 351

An act to add Section 4022 to the Public Resources Code, relating to rangers.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4022 is added to the Public Resources Code, to read:

4022. (a) The titles of ranger, park ranger, and forest ranger, and derivations thereof, may only be used by persons who are peace officers under Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, employees of the Department of Forestry and Fire Protection, or employees of the Department of Parks and Recreation classified as State Park Ranger (Permanent Intermittent). Any person, other than a peace officer or employee of the Department of Parks and Recreation, as described in this section, or employee of the Department of Forestry and Fire Protection, who willfully wears, exhibits, or uses any authorized badge, insignia, emblem, device, label, title, or card of a ranger, park ranger, forest ranger, or a derivation thereof, to identify the person as a ranger, park ranger, or forest ranger, or who willfully wears, exhibits, or uses any badge, insignia, emblem, device, label, title, or card of a ranger, park ranger, or forest ranger, which so resembles the authorized version that it would deceive an ordinary, reasonable person into believing that it is authorized for the use of a ranger, park

ranger, or forest ranger, is guilty of a infraction.

(b) Subdivision (a) does not apply to positions and titles of agencies of the United States government or to any local agency which is officially using any title specified in subdivision (a) as of January 1, 1990.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 352

An act to amend Section 38 of, to add Sections 12203.1 and 14153.1 to, and to repeal Section 14035 of, the Food and Agricultural Code, relating to food and agriculture.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 38 of the Food and Agricultural Code is amended to read:

38. "Person" means any individual, partnership, association, corporation, or any organized group of persons whether incorporated or not.

SEC. 2. Section 12203.1 is added to the Food and Agricultural Code, to read:

12203.1. The director may designate subcategories within the categories listed in Section 12203 as the director determines to be necessary.

SEC. 3. Section 14035 of the Food and Agricultural Code is repealed.

SEC. 4. Section 14153.1 is added to the Food and Agricultural Code, to read:

14153.1. The director may designate subcategories within the categories listed in Section 14153 as the director determines to be necessary.

CHAPTER 353

An act to amend Section 44277 of the Education Code, relating to credentialing.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 44277 of the Education Code is amended to read:

44277. The Legislature recognizes that effective professional growth must continue to occur throughout the careers of all teachers, in order that teachers remain informed of changes in pedagogy, subject matter, and student needs. In enacting this section, it is the intent of the Legislature to establish professional growth requirements that give individual teachers a wide range of options to pursue as well as significant roles in determining the course of their professional growth.

(a) The minimum requirements for maintaining the validity of the clear multiple or single subject teaching credential pursuant to Section 44251 shall be both of the following:

(1) Successful service as a classroom teacher or successful service authorized by a services credential. The minimum length of service shall be equivalent to one-half of a school year.

(2) Completion of an individual program of professional growth as prescribed in this section and by the commission.

(b) An individual program of professional growth shall consist of a minimum of 150 clock hours of participation in activities which contribute to competence, performance, or effectiveness in the profession of education. Acceptable activities shall be defined by the commission to include, among other acceptable activities, the completion of courses offered by regionally accredited colleges and universities; participation in professional conferences, workshops, teacher center programs or staff development programs; service as a mentor teacher pursuant to Section 44496; participation in school curriculum development projects; participation in systematic programs of observation and analysis of teaching; service in a leadership role in a professional organization; and participation in educational research or innovation efforts. Employing agencies and employees' bargaining agents may negotiate to agree on the terms of programs of professional growth within their jurisdictions, provided that the agreements shall be consistent with the provisions of this section.

(c) An individual program of professional growth shall be developed and planned by the holder of a clear teaching credential.

(d) Effective January 1, 1991, an individual program of professional growth may include a basic course in cardiopulmonary

resuscitation, which includes training in the subdiaphragmatic abdominal thrust (also known as the "Heimlich maneuver"), which is at least equivalent to the standards for these courses established by the American Heart Association or the American Red Cross. Should an individual teacher choose to participate in this training option it shall count towards the minimum 150 clock hours required to satisfy the professional growth requirements.

(e) Before a holder of a clear teaching credential commences or amends an individual program of professional growth, a school principal, a mentor teacher provided for in Section 44496, or other district designee shall certify to the credentialholder that the planned program or amendment complies with this section and with regulations of the commission.

(f) A clear teaching credential shall be deemed to remain valid so long as the holder of the credential, at five-year intervals, submits to the commission verification by a school principal, a mentor teacher, or other district designee that the holder has satisfied the minimum requirements specified in subdivision (a). In the absence of adequate verification, the commission shall invalidate the credential. Verification by a school principal, a mentor teacher, or other district designee shall be independent of any evaluation of the performance of the holder of the clear teaching credential that is conducted for the purpose of determing the credentialholder's employment status. The arbitrary refusal of a school principal, a mentor teacher, or other district designee to verify completion of an individual program of professional growth meeting the requirements of this section and commission regulations shall constitute grounds for an appeal as prescribed in Section 44278.

CHAPTER 354

An act to amend Section 800 of, and to add Section 809.05 to, the Business and Professions Code, relating to healing arts.

[Approved by Governor September 11, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 800 of the Business and Professions Code is amended to read:

800. (a) The Board of Medical Quality Assurance, the Board of Dental Examiners, the Board of Osteopathic Examiners, the Board of Chiropractic Examiners, the California Board of Registered Nursing, the Board of Vocational Nurse and Psychiatric Technician Examiners, the State Board of Optometry, the Board of Examiners in Veterinary Medicine, and the State Board of Pharmacy shall each separately create and maintain a central file of the names of all

persons who hold a license, certificate or similar authority from such board. Each such central file shall be so created and maintained as to provide an individual historical record for each such person with respect to (1) any conviction of a crime in this or any other state which constitutes unprofessional conduct pursuant to the reporting requirements of Section 803; (2) any judgment or settlement requiring him or his insurer to pay any amount of damages in excess of three thousand dollars ($3,000) with respect to any claim that injury or death was proximately caused by such person's negligence, error or omission in practice or rendering of unauthorized professional services, pursuant to the reporting requirements of Section 801 or 802; (3) any public complaints for which provision is hereinafter made, pursuant to subdivision (b) of this section; (4) disciplinary information reported pursuant to Section 805.

(b) Each such board shall prescribe and promulgate forms on which members of the public and other licensees or certificate holders may file written complaints to the board alleging any act of misconduct in or connected with the performance of professional services by such person.

If a board, or division thereof, a committee, or a panel has failed to act upon a complaint or report within five years, or has found that the complaint or report is without merit, the central file shall be purged of information relating to the complaint or report.

(c) The contents of any central file which are not public records under any other provision of law shall be confidential except that the licensee involved or his or her counsel or representative shall have the right to inspect and have copies made of his or her complete file except for the provision that may disclose the identity of an information source. For the purposes of this section a board may protect an information source by providing a copy of the text of the material with only those deletions as are necessary to protect the identity of the source or by providing a comprehensive summary of the substance of the material. Whichever method is used, the board shall ensure that full disclosure is made to the subject of any personal information that could reasonably in any way reflect or convey anything detrimental, disparaging, or threatening to an individual's reputation, rights, benefits, privileges, or qualifications, or be used by a board to make a determination that would affect an individual's rights, benefits, privileges, or qualifications.

The licensee may, but is not required to, submit any additional exculpatory or explanatory statement or other information which the board shall include in the central file.

Each board may permit any law enforcement or regulatory agency when required for an investigation of unlawful activity or for licensing, certification, or regulatory purposes to inspect and have copies made of that licensee's file, unless the disclosure is otherwise prohibited by law.

These disclosures shall effect no change in the confidential status of these records.

SEC. 2. Section 809.05 is added to the Business and Professions Code, to read:

809.05. It is the policy of this state that peer review be performed by licentiates. This policy is subject to the following limitations:

(a) The governing bodies of acute care hospitals have a legitimate function in the peer review process. In all peer review matters, the governing body shall give great weight to the actions of peer review bodies and, in no event, shall act in an arbitrary or capricious manner.

(b) In those instances in which the peer review body's failure to investigate, or initiate disciplinary action, is contrary to the weight of the evidence, the governing body shall have the authority to direct the peer review body to initiate an investigation or a disciplinary action, but only after consultation with the peer review body. No such action shall be taken in an unreasonable manner.

(c) In the event the peer review body fails to take action in response to a direction from the governing body, the governing body shall have the authority to take action against a licentiate. Such action shall only be taken after written notice to the peer review body and shall fully comply with the procedures and rules applicable to peer review proceedings established by Sections 809.1 to 809.6, inclusive.

(d) A governing body and the medical staff shall act exclusively in the interest of maintaining and enhancing quality patient care.

(e) It is not the intent or purpose of this section to prohibit or discourage public members on state licensing boards and medical quality review committees from participating in disciplinary actions as authorized by law.

SEC. 3. Section 2 of this bill shall only become operative if (1) both this bill and SB 1211 are enacted and become effective on or before January 1, 1990, (2) each bill adds Section 809.05 to the Business and Professions Code, and (3) this bill is enacted after SB 1211, in which case Section 809.05 of the Business and Professions Code, as added by SB 1211, shall remain operative only until the operative date of this bill, at which time Section 2 of this bill shall become operative, and Section 1.5 of SB 1211 shall become inoperative.

CHAPTER 355

An act to add Section 20215.5 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 20215.5 is added to the Government Code, to read:

20215.5. (a) The board shall include in any program established pursuant to Section 20215 a program utilizing the retirement fund to provide a secured personal loan to a member who is eligible to participate in the home loan program, in an amount not to exceed 5 percent of the approved home loan and secured by the accumulated contributions in the member's individual account, for use as a down payment on the home to be purchased under the home loan program.

(b) The board shall adopt regulations governing the secured personal loan program which shall, among other things, provide as follows:

(1) The secured personal loans shall be made available to currently employed members.

(2) Schedules shall be established prescribing the amount and term of the loan based upon the amount of the approved home loan and the member's accumulated contributions.

(3) The terms shall be established to terminate the loans upon the separation of the members from service, to ensure, in the case of default, that the system shall not suffer any loss, and to provide, as a condition of retirement, for alternative security.

(4) Appropriate administrative costs of the secured personal loan program shall be paid by the members utilizing the program.

(5) Appropriate interest rates shall be periodically reviewed and adjusted to provide secured personal loans to members consistent with the financial integrity of the secured personal loans program and the sound and prudent investment of the retirement fund.

(6) Such other terms and conditions as the board shall deem appropriate.

CHAPTER 356

An act to amend Section 53995 of the Government Code, relating to local agencies.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 53995 of the Government Code is amended to read:

53995. As used in this article:

(a) "Financial transaction" means any agreement or arrangement entered into between a local agency or the treasurer of a local agency and any party or parties for the performance of required financial services or duties by either the local agency or the other party or parties, or both. "Financial transaction" includes, but is not limited to, financial affairs of a local agency, as provided in Chapter 3

(commencing with Section 53400 and Chapter 4 (commencing with Section 53600)).

(b) "Legislative body" means the elected or appointed governing body or authority of a local agency.

(c) "Local agency" means a city, county, city and county, including a chartered city, county, or city and county, redevelopment agency, special district, school district, community college district, county board of education, county superintendent of schools, or any agency of the state formed for the local performance of governmental or proprietary functions within limited boundaries.

(d) "Obligation of contract" has the same meaning and shall be subject to the same interpretation as "obligation of contract" has in Section 9 of Article I of the Constitution.

(e) "Treasurer" means the treasurer of the local agency.

CHAPTER 357

An act to amend Sections 459 and 460 of the Penal Code, relating to crimes.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the Felando-Petris Act of 1989.

SEC. 2. Section 459 of the Penal Code is amended to read:

459. Every person who enters any house, room, apartment, tenement, shop, warehouse, store, mill, barn, stable, outhouse or other building, tent, vessel, as defined in Section 21 of the Harbors and Navigation Code, railroad car, locked or sealed cargo container, whether or not mounted on a vehicle, trailer coach, as defined in Section 635 of the Vehicle Code, any house car, as defined in Section 362 of the Vehicle Code, inhabited camper, as defined in Section 243 of the Vehicle Code, vehicle as defined by the Vehicle Code, when the doors are locked, aircraft as defined by Section 21012 of the Public Utilities Code, or mine or any underground portion thereof, with intent to commit grand or petit larceny or any felony is guilty of burglary. As used in this chapter, "inhabited" means currently being used for dwelling purposes, whether occupied or not. A house, trailer, vessel designed for habitation, or portion of a building is currently being used for dwelling purposes if, at the time of the burglary, it was not occupied solely because a natural or other disaster caused the occupants to leave the premises.

SEC. 3. Section 460 of the Penal Code is amended to read:

460. 1. Every burglary of an inhabited dwelling house, vessel, as defined in the Harbors and Navigation Code, which is inhabited and

designed for habitation, or trailer coach as defined by the Vehicle Code, or the inhabited portion of any other building, is burglary of the first degree.

2. All other kinds of burglary are of the second degree.

3. This section shall not be construed to supersede or affect Section 464 of the Penal Code.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 358

An act to amend Section 12020 of the Penal Code, relating to weapons.

[Approved by Governor September 12 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 12020 of the Penal Code is amended to read

12020. (a) Any person in this state who manufactures or causes to be manufactured, imports into the state, keeps for sale, or offers or exposes for sale, or who gives, lends, or possesses any cane gun or wallet gun, any plastic firearm, any firearm which is not immediately recognizable as a firearm, any camouflaging firearm container, any ammunition which contains or consists of any fléchette dart, any bullet containing or carrying an explosive agent, any ballistic knife, any short-barreled shotgun, any short-barreled rifle, any metal knuckles, any belt buckle knife, any leaded cane, any zip gun, any shuriken, any unconventional pistol, any lipstick case knife, any cane sword, any shobi-zue, any air gauge knife, any writing pen knife, or any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, nunchaku, sandclub, sap, or sandbag, or who carries concealed upon his or her person any explosive substance, other than fixed ammunition or who carries concealed upon his or her person any dirk or dagger, is guilty of a felony, and upon conviction shall be punishable by imprisonment in the county jail not exceeding one year or in a state prison. A bullet containing or carrying an explosive agent is not a destructive device as that term is used in Section 12301.

(b) Subdivision (a) does not apply to any of the following:

(1) The sale to, purchase by, or possession of short-barreled shotguns or short-barreled rifles, by police departments, sheriffs' offices, city marshals' offices, the California Highway Patrol, the Department of Justice, or the military or naval forces of this state or of the United States for use in the discharge of their official duties or the possession of short-barreled shotguns and short-barreled rifles by regular, salaried, full-time members of a police department, sheriff's office, city marshal's office, the California Highway Patrol, or the Department of Justice when on duty and the use is authorized by the agency and is within the course and scope of their duties.

(2) The manufacture, possession, transportation or sale of short-barreled shotguns or short-barreled rifles when authorized by the Department of Justice pursuant to Article 6 (commencing with Section 12095) of this chapter and not in violation of federal law.

(3) The possession of a nunchaku on the premises of a school which holds a regulatory or business license and teaches the arts of self-defense.

(4) The manufacture of a nunchaku for sale to, or the sale of a nunchaku to, a school which holds a regulatory or business license and teaches the arts of self-defense.

(5) Any antique firearm. For purposes of this section, "antique firearm" means any firearm not designed or redesigned for using rim fire or conventional center fire ignition with fixed ammunition and manufactured in or before 1898 (including any matchlock, flintlock, percussion cap, or similar type of ignition system or replica thereof, whether actually manufactured before or after the year 1898) and also any firearm using fixed ammunition manufactured in or before 1898, for which ammunition is no longer manufactured in the United States and is not readily available in the ordinary channels of commercial trade.

(6) Tracer ammunition manufactured for use in shotguns.

(7) Any firearm or ammunition which is a curio or relic as defined in Section 178.11 of Title 27 of the Code of Federal Regulations and which is in the possession of a person permitted to possess such items pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto. Any person prohibited by Section 12021 or 12021.5 of this code or Section 8103 of the Welfare and Institutions Code from possessing such firearms or ammunition who obtains title to such items by bequest or intestate succession may retain title for not more than one year, but actual possession of such items at any time shall be punishable pursuant to Section 12021 or 12021.5 of this code or Section 8103 of the Welfare and Institutions Code. Within such year the person shall transfer title to such firearms or ammunition by sale, gift, or other disposition. Any person who violates this paragraph is in violation of subdivision (a).

(8) Any other weapon as defined in subsection (e) of Section 5845 of Title 26 of the United States Code and which is in the possession

of a person permitted to possess the weapons pursuant to the federal Gun Control Act of 1968 (Public Law 90-618), as amended, and the regulations issued pursuant thereto. Any person prohibited by Section 12021 or 12021.5 of this code or Section 8103 of the Welfare and Institutions Code from possessing these weapons who obtains title to these weapons by bequest or intestate succession may retain title for not more than one year, but actual possession of these weapons at any time is punishable pursuant to Section 12021 or 12021.5 of this code or Section 8103 of the Welfare and Institutions Code. Within that year the person shall transfer title to the weapons by sale, gift, or other disposition. Any person who violates this paragraph is in violation of subdivision (a). The exemption provided in this subdivision does not apply to pen guns.

(9) Instruments or devices that are possessed by federal, state, and local historical societies, museums, and institutional collections which are open to the public, provided that these instruments or devices are properly housed, secured from unauthorized handling, and, if the instrument or device is a firearm, unloaded.

(10) Instruments or devices, other than short-barreled shotguns or short-barreled rifles, that are possessed or utilized during the course of a motion picture, television, or video production or entertainment event by an authorized participant therein in the course of making that production or event or by an authorized employee or agent of the entity producing that production or event.

(11) Instruments or devices, other than short-barreled shotguns or short-barreled rifles, that are sold by, manufactured by, exposed or kept for sale by, possessed by, imported by, or lent by persons who are in the business of selling instruments or devices listed in subdivision (a) solely to the entities referred in paragraphs (9) and (10) when engaging in transactions with those entities.

(12) The sale to, possession of, or purchase of, any weapon, device, or ammunition, other than a short-barreled rifle or short-barreled shotgun, by any federal, state, county, city and county, or city agency that is charged with the enforcement of any law for use in the discharge of their official duties, or the possession of any weapon, device, or ammunition, other than short-barreled rifles and shotguns, when on duty and the use is authorized by the agency and is within the course and scope of their duties.

(13) Weapons, devices, and ammunition, other than short-barreled rifles and short-barreled shotguns, that are sold by, manufactured by, exposed, or kept for sale by, possessed by, imported by, or lent by, persons who are in the business of selling weapons, devices, and ammunition listed in subdivision (a) solely to the entities referred to in paragraph (12) when engaging in transactions with those entities.

(14) The manufacture for, sale to, exposing or keeping for sale to, importation of, or lending of, wooden clubs or batons to special police officers or uniformed security guards authorized to carry any wooden club or baton pursuant to Section 12002 by entities that are

in the business of selling wooden batons or clubs to special police officers and uniformed security guards when engaging in transactions with those persons.

(c) (1) As used in this section, a "short-barreled shotgun" means any of the following:

(A) A firearm which is designed or redesigned to fire a fixed shotgun shell and having a barrel or barrels of less than 18 inches in length.

(B) A firearm which has an overall length of less than 26 inches and which is designed or redesigned to fire a fixed shotgun shell.

(C) Any weapon made from a shotgun (whether by alteration, modification, or otherwise) if that weapon, as modified, has an overall length of less than 26 inches or a barrel or barrels of less than 18 inches in length.

(D) Any device which may be readily restored to fire a fixed shotgun shell which, when so restored, is a device defined in subparagraphs (A) to (C), inclusive.

(E) Any part, or combination of parts, designed and intended to convert a device into a device defined in subparagraphs (A) to (C), inclusive, or any combination of parts from which a device defined in subparagraphs (A) to (C), inclusive, can be readily assembled if those parts are in the possession or under the control of the same person.

(2) As used in this section, a "short-barreled rifle" means any of the following:

(A) A rifle having a barrel or barrels of less than 16 inches in length.

(B) A rifle with an overall length of less than 26 inches.

(C) Any weapon made from a rifle (whether by alteration, modification, or otherwise) if that weapon as modified has an overall length of less than 26 inches or a barrel or barrels of less than 16 inches in length.

(D) Any device which may be readily restored to fire a fixed cartridge which, when so restored, is a device defined in subparagraphs (A) to (C), inclusive.

(E) Any part, or combination of parts, designed and intended to convert a device into a device defined in subparagraphs (A) to (C), inclusive, or any combination of parts from which a device defined in subparagraphs (A) to (C), inclusive, may be readily assembled if those parts are in the possession or under the control of the same person.

(3) As used in this section, a "nunchaku" means an instrument consisting of two or more sticks, clubs, bars or rods to be used as handles, connected by a rope, cord, wire or chain, in the design of a weapon used in connection with the practice of a system of self-defense such as karate.

(4) As used in this section, a "wallet gun" means any firearm mounted or enclosed in a case, resembling a wallet, designed to be or capable of being carried in a pocket or purse, if such firearm may

be fired while mounted or enclosed in such case.

(5) As used in this section, a "cane gun" means any firearm mounted or enclosed in a stick, staff, rod, crutch or similar device, designed to be or capable of being used as an aid in walking, if such firearm may be fired while mounted or enclosed therein.

(6) As used in this section, a "fléchette dart" means a dart, capable of being fired from a firearm, which measures approximately one inch in length, with tail fins which take up five-sixteenths of an inch of the body.

(7) As used in this section, "metal knuckles" means any device or instrument made wholly or partially of metal which is worn for purposes of offense or defense in or on the hand and which either protects the wearer's hand while striking a blow or increases the force of impact from the blow or injury to the individual receiving the blow. The metal contained in the device may help support the hand or fist, provide a shield to protect it, or consist of projections or studs which would contact the individual receiving a blow.

(8) As used in this section, "ballistic knife" means a device that propels a knifelike blade as a projectile by means of a coil spring, elastic material, or compressed gas. Ballistic knife does not include any device which propels an arrow or a bolt by means of any common bow, compound bow, crossbow, or underwater spear gun.

(9) As used in this section, "camouflaging firearm container" means a container which meets all of the following:

(A) It is designed and intended to enclose a firearm.

(B) It is designed and intended to allow the firing of the enclosed firearm by external controls while the firearm is in the container.

(C) It is not readily recognizable as containing a firearm.

"Camouflaging firearm container" does not include any camouflaging covering used while engaged in lawful hunting or while going to or returning from a lawful hunting expedition.

(10) As used in this section, a "zip gun" means any weapon or device which meets all of the following criteria:

(A) It was not imported as a firearm by an importer licensed pursuant to Chapter 44 (commencing with Section 921) of Title 44 of the United States Code and the regulations issued pursuant thereto.

(B) It was not originally designed to be a firearm by a manufacturer licensed pursuant to Chapter 44 (commencing with Section 921) of Title 44 of the United States Code and the regulations issued pursuant thereto.

(C) No tax was paid on the weapon or device nor was an exemption from paying tax on that weapon or device granted under Section 4181 and subchapters F (commencing with Section 4216) and G (commencing with Section 4221) of Chapter 32 of Title 26 of the United States Code, as amended, and the regulations issued pursuant thereto.

(D) It is made or altered to expel a projectile by the force of an explosion or other form of combustion.

(E) It has a barrel or barrels less than 18 inches in length or an overall length of less than 26 inches.

(11) As used in this section, a "shuriken" means any instrument, without handles, consisting of a metal plate having three or more radiating points with one or more sharp edges and designed in the shape of a polygon, trefoil, cross, star, diamond, or other geometric shape for use as a weapon for throwing.

(12) As used in this section, an "unconventional pistol" means a pistol or revolver that does not have a rifled bore and has a barrel or barrels of less than 18 inches in length or has an overall length of less than 26 inches.

(13) As used in this section, a "belt buckle knife" is a knife which is made an integral part of a belt buckle and consists of a blade with a length of at least 2½ inches.

(14) As used in this section, a "lipstick case knife" means a knife enclosed within and made an integral part of a lipstick case.

(15) As used in this section, a "cane sword" means a cane, swagger stick, stick, staff, rod, pole, umbrella, or similar device, having concealed within it a blade that may be used as a sword or stiletto.

(16) As used in this section, a "shobi-zue" means a staff, crutch, stick, rod, or pole concealing a knife or blade within it which may be exposed by a flip of the wrist or by a mechanical action.

(17) As used in this section, a "leaded cane" means a staff, crutch, stick, rod, pole, or similar device, unnaturally weighted with lead.

(18) As used in this section, an "air gauge knife" means a device that appears to be an air gauge but has concealed within it a pointed, metallic shaft that is designed to be a stabbing instrument which is exposed by mechanical action or gravity which locks into place when extended.

(19) As used in this section, a "writing pen knife" means a device that appears to be a writing pen but has concealed within it a pointed, metallic shaft that is designed to be a stabbing instrument which is exposed by mechanical action or gravity which locks into place when extended or the pointed, metallic shaft is exposed by the removal of the cap or cover on the device.

(20) As used in this section, the term "rifle" means a weapon designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned and made or remade to use the energy of the explosive in a fixed cartridge to fire only a single projectile through a rifled bore for each single pull of the trigger.

(21) As used in this section, the term "shotgun" means a weapon designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned and made or remade to use the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number or projectiles (ball shot) or a single projectile for each pull of the trigger.

(22) As used in this section, "plastic firearm" means any weapon which meets one of the following requirements:

(A) When, after removal of grips, stocks, and magazines, it is not as detectable as the Security Exemplar, by walk-through metal detectors calibrated and operated to detect the Security Exemplar.

(B) When any major component of which, when subjected to inspection by the types of X-ray machines commonly used at airports, does not generate an image that accurately depicts the shape of the component. Barium sulfate or other compounds may be used in the fabrication of the component.

(C) For purposes of this paragraph, the terms "firearm," "major component," and "Security Exemplar" have the same meanings as those terms are defined in Section 922 of Title 18 of the United States Code.

All firearm detection equipment newly installed in nonfederal public buildings in this state shall be of a type identified by either the United States Attorney General, the Secretary of Transportation, or the Secretary of the Treasury, as appropriate, as available state-of-the-art equipment capable of detecting a plastic firearm, as defined, while distinguishing innocuous metal objects likely to be carried on one's person sufficient for reasonable passage of the public.

(d) Knives carried in sheaths which are worn openly suspended from the waist of the wearer are not concealed within the meaning of this section.

CHAPTER 359

An act to add Sections 40084.5 and 41853.5 to the Education Code, and to add Sections 1808.8 and 34501.13 to, and to add Chapter 11 (commencing with Section 12200) to Division 5 of, the Vehicle Code, relating to vehicles.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 40084.5 is added to the Education Code, to read:

40084.5. (a) All behind-the-wheel training required to obtain certificates pursuant to Sections 12517, 12519, and 12523 of the Vehicle Code shall be performed by an instructor certified by the department or by a delegated behind-the-wheel trainer.

(b) A delegated behind-the-wheel trainer is someone who is selected and trained to assist in the behind-the-wheel training of drivers. The minimum standards for selection are as follows:

(1) One year experience as a driver of the appropriate type and size vehicle immediately preceding the date of selection as a delegated behind-the-wheel trainer.

(2) Possession of the appropriate license, certificates, and endorsements needed to drive and train in a particular type and size vehicle.

(3) A high school diploma or general education development equivalent.

(4) A driving record with no chargeable accidents within the past three years immediately preceding the date of selection.

(5) Successful completion of all training in the latest edition of the Instructor's Behind-the-Wheel Training Guide for California's Bus Driver's Training Course.

(6) Possession of the same basic knowledge and skills as a state-certified instructor.

(7) Successful completion of a written assessment test on current laws, regulations, and policies given by a state-certified instructor of the appropriate class.

(8) Successful completion of a driving performance test on all phases of behind-the-wheel and vehicle inspection training. The test shall be given by a state-certified instructor of the appropriate class.

(c) The state-certified instructor shall train and verify the competence of each delegated behind-the-wheel trainer to be utilized in training. This verification shall be documented and placed in the delegated behind-the-wheel trainer's file and a copy sent to the department.

SEC. 1.5. Section 41853.5 is added to the Education Code, to read:

41853.5. (a) The Superintendent of Public Instruction, in cooperation with the Department of the California Highway Patrol, shall develop a model contract for dissemination on or before December 31, 1990, to local educational agencies considering contracting for home-to-school transportation services.

(b) The superintendent shall also develop a guide for dissemination on or before December 31, 1990, to local education agencies considering contracting for home-to-school transportation services.

SEC. 2. Section 1808.8 is added to the Vehicle Code, to read:

1808.8. (a) Dismissal of any driver certified pursuant to Section 12517, 12523, or 12523.5, for a cause relating to pupil transportation safety, shall be reported by the carrier to the department within five days of the dismissal date.

(b) Reinstatement of any driver whose dismissal has been reported under subdivision (a) shall be reported by the carrier to the department within five days of the reinstatement date.

SEC. 3. Chapter 11 (commencing with Section 12200) is added to Division 5 of the Vehicle Code, to read:

CHAPTER 11. TRANSPORTATION OF SCHOOL PUPILS

12200. It is the intent of the Legislature, by enacting this chapter, that the public be provided additional protection through the licensing of private schoolbus contractors transporting school pupils

under contracts with school districts. The Department of the California Highway Patrol shall be authorized to inspect and license the contractors with special attention directed to negligent operators or repeat violators.

12201. Every private schoolbus contractor who contracts with a school district for the transportation of school pupils shall be licensed in accordance with regulations adopted by the commissioner. The annual license fee shall be one hundred dollars ($100) for an initial license and seventy-five dollars ($75) for each renewal.

12202. (a) The commissioner may adopt such regulations as are necessary to administer this chapter. Regulations shall be consistent with regulations regarding schoolbuses and schoolbus drivers adopted by the commissioner pursuant to other provisions of law. It is unlawful and constitutes a misdemeanor for any private schoolbus contractor to violate this chapter or any regulations adopted pursuant hereto.

(b) Notwithstanding subdivision (a), it is unlawful for the private schoolbus contractor or the person who directs the driver to operate a vehicle transporting school pupils, when that transportation requires a license, to knowingly cause the operation of the vehicle unless the private schoolbus contractor holds a valid license for the transportation of school pupils. A violation of this subdivision shall be punished by a fine of not more than two thousand dollars ($2,000).

12203. (a) The commissioner may temporarily suspend a license to transport school pupils under contract with a school district subject to a hearing conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, when, in the commissioner's opinion, the action is necessary to prevent an imminent and substantial danger to the public health.

(b) The commissioner may, following a hearing, suspend a license to transport school pupils under contract with a school district, for a period of at least 30 days but not more than 90 days, if the holder of the license knowingly permits the transportation of school pupils by a person who does not possess the appropriate driver's license and driver's certificate.

(c) The suspensions authorized pursuant to subdivisions (a) and (b) may, at the discretion of the commissioner, be enforced for all operations of a schoolbus contractor, or for the operations of the contractor in the school district in which the alleged violations occurred, or for the operations of the contractor in the contractor's terminal in which the alleged violations occurred.

(d) The commissioner shall provide notification of a suspension hearing to those school districts whose terminals would be affected by the suspension.

12204. (a) All fees collected by the department pursuant to the issuance or renewal of a license for the transportation of school pupils under contract with a school district shall be deposited in the Motor Vehicle Account of the State Transportation Fund.

(b) All moneys collected from these fees shall be used for the support of the licensing program of the department upon appropriation therefor by the Legislature.

12206. The Department of the California Highway Patrol shall submit a report to the Legislature on or before January 1, 1993, concerning the implementation of the licensing and inspection program under this chapter, including, but not limited to, the amount collected for license fees and the nature of the violations charged.

SEC. 4. Section 34501.13 is added to the Vehicle Code, to read:

34501.13. If the inspection of a maintenance facility or terminal of any person who operates a schoolbus results in an unsatisfactory terminal rating by the department, the department shall notify the school board of the district which is responsible for the terminal.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 360

An act to add Section 25210.6a to the Government Code, relating to county service areas.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25210.6a is added to the Government Code, to read:

25210.6a. (a) Notwithstanding any other provision in this chapter, the board of supervisors may levy and collect a special tax in any county service area or zone within a county service area, pursuant to the procedures prescribed in Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1, to fund any one or more services which may be provided under this chapter.

(b) "Special tax," as used in this section, means any special tax which applies uniformly to all taxpayers or all real property within the county service area or zone.

CHAPTER 361

An act to amend Section 212.5 of the Penal Code, relating to crimes.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 212.5 of the Penal Code is amended to read:

212.5. (a) Every robbery of any person who is performing his or her duties as an operator of any bus, taxicab, cable car, streetcar, trackless trolley, or other vehicle, including a vehicle operated on stationary rails or on a track or rail suspended in the air, and used for the transportation of persons for hire, every robbery of any passenger which is perpetrated on any of these vehicles, and every robbery which is perpetrated in an inhabited dwelling house, a vessel, as defined in Section 21 of the Harbors and Navigation Code, which is inhabited and designed for habitation, or a trailer coach, as defined in the Vehicle Code, which is inhabited, or the inhabited portion of any other building, is robbery of the first degree.

(b) All kinds of robbery other than those listed in subdivision (a) are of the second degree.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 362

An act to amend Sections 17024.5, 18001, 18002, 18807, 23051.5, 24343, 24349.1, 24449, 25111, and 25954 of, to add Sections 17565 and 24632 to, and to repeal Sections 17206, 17210, and 17272 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 17024.5 of the Revenue and Taxation Code

is amended to read:

17024.5. (a) (1) Unless otherwise specifically provided, the terms "Internal Revenue Code," "Internal Revenue Code of 1954," or "Internal Revenue Code of 1986," for purposes of this part, mean Title 26 of the United States Code, including all amendments thereto as enacted on the specified date for the applicable taxable year as follows:

Taxable Year	Specified Date of Internal Revenue Code Sections
(A) For taxable years beginning on or after January 1, 1983, and on or before December 31, 1983	January 15, 1983
(B) For taxable years beginning on or after January 1, 1984, and on or before December 31, 1984	January 1, 1984
(C) For taxable years beginning on or after January 1, 1985, and on or before December 31, 1985	January 1, 1985
(D) For taxable years beginning on or after January 1, 1986, and on or before December 31, 1986	January 1, 1986
(E) For taxable years beginning on or after January 1, 1987	January 1, 1987

(2) For purposes of subparagraphs (C) and (D) of paragraph (1), the following applies:

(A) The provisions contained in Sections 41–44, inclusive, and 172 of the Tax Reform Act of 1984 (Public Law 98-369), relating to treatment of debt instruments, shall not be applicable.

(B) The provisions contained in Public Law 99-121, relating to the treatment of debt instruments, shall not be applicable.

(3) For taxable years beginning on and after January 1, 1987, the provisions referred to by subparagraphs (A) and (B) of paragraph (2) shall be applicable for purposes of this part in the same manner and with respect to the same obligations as the federal provisions, except as otherwise provided in this part.

(4) Unless otherwise specifically provided, the following shall apply:

(A) Any provision of the Internal Revenue Code which is operative on or after the specified date for that taxable year shall also be operative on the same date for purposes of this part.

(B) Any provision of the Internal Revenue Code which is inoperative on or after the specified date for that taxable year shall also be inoperative on the same date for purposes of this part.

(b) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any provision therein relating to any of the following shall not be

applicable for purposes of this part:

(1) Except as provided in Chapter 4.5 (commencing with Section 23800) of Part 11 of Division 2, an electing small business corporation, as defined in Section 1361(b) of the Internal Revenue Code.

(2) Domestic international sales corporations (DISC), as defined in Section 992(a) of the Internal Revenue Code.

(3) A personal holding company, as defined in Section 542 of the Internal Revenue Code.

(4) A foreign personal holding company, as defined in Section 552 of the Internal Revenue Code.

(5) A foreign investment company, as defined in Section 1246(b) of the Internal Revenue Code.

(6) A foreign trust, as defined in Section 679 of the Internal Revenue Code.

(7) Foreign taxes and foreign tax credits.

(8) Section 911 of the Internal Revenue Code, relating to United States citizens living abroad.

(9) A foreign corporation, except that Section 367 of the Internal Revenue Code shall be applicable.

(10) Credits and credit carryovers, except as provided in Section 17142.

(11) Nonresident aliens.

(12) Deduction for personal exemptions, as provided in Section 151 of the Internal Revenue Code.

(13) The tax on generation-skipping transfers imposed by Section 2601 of the Internal Revenue Code.

(14) The tax, relating to estates, imposed by Section 2001 or 2101 of the Internal Revenue Code.

(c) When applying the Internal Revenue Code for purposes of this part, any reference to regulations prescribed by "the secretary" shall not be applicable if the Franchise Tax Board has adopted and issued regulations. In the absence of regulations issued by the Franchise Tax Board, regulations issued by "the secretary" in effect as of the specified effective date of the Internal Revenue Code sections referred to in subdivision (a) shall be applicable to the extent that they do not conflict with this part.

(d) Whenever this part allows a taxpayer to make an election, the following rules shall apply:

(1) A proper election filed in accordance with the Internal Revenue Code or regulations issued by "the secretary" shall be deemed to be a proper election for purposes of this part, unless otherwise provided in this part or in regulations issued by the Franchise Tax Board.

(2) A copy of that election shall be furnished to the Franchise Tax Board upon request.

(3) To obtain treatment other than that elected for federal purposes, a separate election shall be filed with the Franchise Tax Board.

(e) Whenever this part allows or requires a taxpayer to file an

application or seek consent, the rules set forth in subdivision (d) shall be applicable with respect to any such application or consent.

(f) When applying the Internal Revenue Code for purposes of determining the statute of limitations under this part, any reference to a period of three years shall be modified to read four years for purposes of this part.

(g) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any reference to the "secretary" shall mean the "Franchise Tax Board."

(h) When applying any section of the Internal Revenue Code for purposes of this part—

(1) References to "adjusted gross income" shall mean the amount computed in accordance with Section 17072, except as provided in paragraph (2).

(2) References to "adjusted gross income" for purposes of computing limitations based upon a percentage of adjusted gross income, shall mean the amount required to be shown as adjusted gross income on the federal tax return for the same taxable year.

(3) References to "chapter" shall mean Part 10 (commencing with Section 17001) of Division 2.

(i) Unless otherwise specifically provided, when applying the Internal Revenue Code for purposes of this part, any reference to a specific provision of the Internal Revenue Code shall include modifications of that provision, if any, in this part.

SEC. 2. Section 17206 of the Revenue and Taxation Code is repealed.

SEC. 3. Section 17210 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 17272 of the Revenue and Taxation Code is repealed.

SEC. 4.5. Section 17565 is added to the Revenue and Taxation Code, to read:

17565. (a) The taxable year of a taxpayer may not be different than the taxable year used for purposes of the Internal Revenue Code, unless initiated or approved by the Franchise Tax Board.

(b) For purposes of this section, whenever a taxpayer is required to make a federal return for a period of less than 12 months, that period shall be deemed to be a taxable year, and the provisions of Section 17552 shall apply.

SEC. 5. Section 18001 of the Revenue and Taxation Code is amended to read:

18001. (a) Subject to the following conditions, residents shall be allowed a credit against the "net tax" (as defined by Section 17039) for net income taxes imposed by and paid to another state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) on income taxable under this part:

(1) The credit shall be allowed only for taxes paid to the other state (not including any preference, alternative, or minimum tax

comparable to the tax imposed by Section 17062) on income derived from sources within that state which is taxable under its laws irrespective of the residence or domicile of the recipient.

This paragraph shall not apply to residents to whom subdivision (b) of Section 17014 applies.

(2) The credit shall not be allowed if the other state allows residents of this state a credit against the taxes imposed by that state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) for "net tax" (as defined by Section 17039) paid or payable under this part.

(3) The credit shall not exceed such proportion of the "net tax" (as defined by Section 17039) payable under this part as the income subject to tax in the other state (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) and also taxable under this part bears to the taxpayer's entire income upon which the "net tax" (as defined by Section 17039) is imposed by this part.

(4) No credit shall be allowed under this section for any tax imposed by Section 17062.

(b) For purposes of determining the tentative minimum tax under subparagraph (A) of paragraph (3) of subdivision (b) of Section 17062, the credit shall be computed under subdivision (a) except that the provisions of paragraph (3) of subdivision (a) shall be modified to provide that the credit shall not exceed such proportion of the tentative minimum tax as the income subject to tax in the other state (recomputed in accordance with Section 17062) and also included in alternative minimum taxable income under this part bears to the total alternative minimum taxable income under this part. In any case, the amount determined under this subdivision shall not be less than the amount determined under subdivision (a).

(c) For purposes of this section, the amount of "net income taxes" paid to another state shall include the taxpayer's pro rata share of any taxes on, or according to, or measured by, income or profits paid or accrued, which were paid by a partnership or S corporation, as provided by Section 18006.

SEC. 6. Section 18002 of the Revenue and Taxation Code is amended to read:

18002. (a) Subject to the following conditions, nonresidents shall be allowed a credit against the "net tax" (as defined by Section 17039) for net income taxes imposed by and paid to the state of residence (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) on income taxable under this part:

(1) The credit shall be allowed only if the state of residence either does not tax income of residents of this state derived from sources within that state or allows residents of this state a credit against the taxes imposed by that state on such income for "net tax" (as defined by Section 17039) paid or payable thereon under this part.

(2) The credit shall not be allowed for taxes paid to a state which

allows its residents a credit against the taxes imposed by that state for "net tax" (as defined by Section 17039) paid or payable under this part irrespective of whether its residents are allowed a credit against the taxes imposed by this part for income taxes paid to that state.

(3) Credit shall be allowed only for such proportion of the taxes paid to the state of residence (not including any preference, alternative, or minimum tax comparable to the tax imposed by Section 17062) as the income taxable under this part and also subject to tax in the state of residence bears to the entire income upon which the taxes paid to the state of residence are imposed.

(4) The credit shall not exceed such proportion of the "net tax" (as defined by Section 17039) payable under this part as the income subject to tax in the state of residence and also taxable under this part bears to the entire income taxable under this part.

(5) No credit shall be allowed under this section for any tax imposed by Section 17062.

(b) For purposes of determining the tentative minimum tax under subparagraph (A) of paragraph (3) of subdivision (b) of Section 17062, the credit shall be computed under subdivision (a) except that the provisions of paragraph (3) of subdivision (a) shall be modified to provide that the credit shall not exceed such proportion of the tentative minimum tax as the income subject to tax in the other state (recomputed in accordance with Section 17062) and also included in alternative minimum taxable income under this part bears to the total alternative minimum taxable income under this part. In any case, the amount determined under this subdivision shall not be less than the amount determined under subdivision (a).

(c) For purposes of this section, the amount of "net income taxes" paid to another state shall include the taxpayer's pro rata share of any taxes on, or according to, or measured by, income or profits paid or accrued, which were paid by a partnership or S corporation, as provided by Section 18006.

SEC. 7. Section 18807 of the Revenue and Taxation Code is amended to read:

18807. Withholding of tax on amounts paid by partnerships to foreign partners shall be determined in accordance with Section 1446 of the Internal Revenue Code, to the extent that amounts paid represent income from California sources. However, that tax shall be withheld at the maximum tax rate specified in Section 17041, rather than the rate specified in Section 1446(a) of the Internal Revenue Code.

SEC. 8. Section 23051.5 of the Revenue and Taxation Code is amended to read:

23051.5. (a) Unless otherwise specifically provided, the term "Internal Revenue Code," "Internal Revenue Code of 1954," or "Internal Revenue Code of 1986," for purposes of this part, means Title 26 of the United States Code, including all amendments thereto, in effect on the specified date for the applicable taxable year as defined in subdivision (a) of Section 17024.5, except that for purposes

of this part, "income year" shall be substituted for "taxable year" throughout that section.

(b) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any provision therein relating to any of the following shall not be applicable for purposes of this part:

(1) Domestic International Sales Corporations (DISC), as defined in Section 992(a) of the Internal Revenue Code.

(2) Foreign Sales Corporations (FSC), as defined in Section 922(a) of the Internal Revenue Code.

(3) A personal holding company, as defined in Section 542 of the Internal Revenue Code.

(4) A foreign personal holding company, as defined in Section 552 of the Internal Revenue Code.

(5) A foreign investment company as defined in Section 1246(b) of the Internal Revenue Code.

(6) A foreign trust required to file a return under Section 6048 of the Internal Revenue Code.

(7) Foreign income taxes and foreign income tax credits.

(8) Federal tax credits and carryovers of federal tax credits.

(c) When applying any provision of the Internal Revenue Code—

(1) For purposes of Chapter 2 (commencing with Section 23101), Chapter 2.5 (commencing with Section 23400), and Chapter 3 (commencing with Section 23501), the term "taxable income" shall mean "net income" (as defined by Section 24341).

(2) For purposes of Article 2 (commencing with Section 23731) of Chapter 4, the term "taxable income" shall mean "unrelated business taxable income" (as defined by Section 23732).

(d) (1) The provisions contained in Sections 41 to 44, inclusive, and 172 of the Tax Reform Act of 1984 (Public Law 98-369), relating to treatment of debt instruments, shall not be applicable for income years beginning before January 1, 1987.

(2) The provisions contained in Public Law 99-121, relating to the treatment of debt instruments, shall not be applicable for income years beginning before January 1, 1987.

(3) For income years beginning on and after January 1, 1987, the provisions referred to by paragraphs (1) and (2) shall be applicable for purposes of this part in the same manner and with respect to the same obligations as the federal provisions, except as otherwise provided in this part.

(e) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, the following shall apply:

(1) Due account shall be made for differences in federal and state terminology, effective dates, substitution of "income year" for "taxable year" where appropriate, substitution of "Franchise Tax Board" for "secretary" when appropriate, and other obvious differences.

(2) Any provision of the Internal Revenue Code which is

operative on or after the specified date for that income year shall also be operative on the same date for purposes of this part.

(3) Any provision of the Internal Revenue Code which is inoperative on or after the specified date for that income year shall also be inoperative on the same date for purposes of this part.

(4) Any reference to a specific provision of the Internal Revenue Code shall include modifications of that provision, if any, in this part.

(5) Any provision of the Internal Revenue Code which refers to a "corporation" shall, when applicable for purposes of this part, include a "bank" (as defined by Section 23039).

(6) Any reference to "chapter" shall mean Part 11 (commencing with Section 23001) of Division 2.

(f) In the absence of regulations of the Franchise Tax Board, where provisions of this part conform to the Internal Revenue Code, regulations adopted under the Internal Revenue Code shall govern the interpretation of comparable provisions in this part, with due account for differences in federal and state terminology, effective dates, substitution of "income year" for "taxable year" where appropriate, substitution of "Franchise Tax Board" for "secretary" when appropriate, and other obvious differences.

(g) Whenever this part allows a taxpayer to make an election, the following rules shall apply:

(1) A proper election filed in accordance with the Internal Revenue Code or regulations issued by "the secretary" shall be deemed to be a proper election for purposes of this part, unless otherwise expressly provided in this part or in regulations issued by the Franchise Tax Board.

(2) A copy of that election shall be furnished to the Franchise Tax Board upon request.

(3) To obtain treatment other than that elected for federal purposes, a separate election shall be filed with the Franchise Tax Board at the time and in the manner which may be required by the Franchise Tax Board.

(h) Whenever this part allows or requires a taxpayer to file an application or seek consent, the rules set forth in subdivision (g) shall be applicable with respect to any such application or consent.

SEC. 9. Section 24343 of the Revenue and Taxation Code is amended to read:

24343. A deduction shall be allowed for trade or business expenses and the amount shall be determined in accordance with Section 162 of the Internal Revenue Code, except that references to Section 170 of the Internal Revenue Code shall be modified to refer to Sections 24357 to 24359.1, inclusive, of this part.

SEC. 10. Section 24349.1 of the Revenue and Taxation Code is amended to read:

24349.1. (a) Section 280F of the Internal Revenue Code, relating to limitations on depreciation for luxury automobiles and certain property used for personal purposes, shall be applicable.

(b) Except as provided in subdivision (c), Section 280F of the

Internal Revenue Code shall be modified as follows:

(1) The terms "deduction" or "recovery deduction," relating to amounts allowable as a deduction under Section 168 of the Internal Revenue Code, mean the amount allowable as a deduction for depreciation under this part.

(2) The term "recovery period," relating to property under Section 168 of the Internal Revenue Code, means the class life asset depreciation range allowable under this part.

(3) The provisions of Section 280F of the Internal Revenue Code which relate to the investment tax credit shall not be applicable for purposes of this part.

(c) Paragraphs (1) and (2) of subdivision (b) shall not apply to Section 24356.2 property.

SEC. 11. Section 24449 of the Revenue and Taxation Code is amended to read:

24449. (a) The provisions of Section 291 of the Internal Revenue Code, relating to special rules relating to corporate preference items, shall be applicable.

(b) For purposes of this section:

(1) The reference in Section 291(a)(3) to "a deduction under this chapter" means the deduction under Section 24348 of this part.

(2) The reference in Section 291(b)(1) to "Section 263(c)" means the deduction under Section 24423 of this part.

SEC. 12. Section 24632 is added to the Revenue and Taxation Code, to read:

24632. (a) The income year of a taxpayer may not be different than the taxable year used for purposes of the Internal Revenue Code, unless initiated or approved by the Franchise Tax Board.

(b) For purposes of this section, whenever a taxpayer is required to make a federal return for a period of less than 12 months, that period shall be deemed to be a taxable year, and the provisions of Section 24634 shall apply.

SEC. 13. Section 25111 of the Revenue and Taxation Code is amended to read:

25111. (a) A water's-edge election shall be made by contract with the Franchise Tax Board in the original return for a year and shall be effective only if every taxpayer which is a member of the water's-edge group and which is subject to tax under this part makes the election. A single taxpayer which is engaged in more than one business activity subject to allocation and apportionment as provided in Article 2 (commencing with Section 25120) of Chapter 17 may make a separate election for each business. The form and manner of making the water's-edge election shall be prescribed by the Franchise Tax Board. Each contract making a water's-edge election shall be for an initial term of five years, except as provided in subdivisions (b) and (c). Each contract shall provide that on the anniversary date of the contract or any other annual date specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in subdivision (f).

Each contract shall be conditioned by an agreement to pay the amount specified in Section 25115. Except as provided in subdivisions (b) and (c), the Franchise Tax Board shall enter into a contract as provided by this section with any qualified taxpayer which wishes to make a water's-edge election. An affiliated bank or corporation which is a member of the water's-edge group and subsequently becomes subject to tax under this part shall be deemed to have elected. No water's-edge election shall be made for an income year beginning prior to the operative date of this article.

(b) A water's-edge election may be terminated by a taxpayer prior to the end of the five-year period if any of the following occurs:

(1) The taxpayer is acquired directly or indirectly by a nonelecting entity which alone or together with those affiliates included in its combined report is larger than the taxpayer as measured by equity capital.

(2) The taxpayer ceases to be affiliated with any bank or corporation whose income and apportionment factors the taxpayer would be required to take into account in determining its income under Section 25101 but for the election and the taxpayer is not itself a bank or corporation doing business within and without the United States.

(3) With the permission of the Franchise Tax Board.

(4) Pursuant to a Franchise Tax Board audit determination, as evidenced by a notice of the deficiency proposed to be assessed or a notice of tax change, a substantial modification is made to the composition of the water's-edge group as filed, in which case the election may be terminated only with respect to income years beginning on or after January 1 of the year in which the audit determination is made.

No refund of any amounts paid pursuant to Section 25115 shall be made for those years during which the election was in effect.

(c) A water's-edge election may be disregarded by the Franchise Tax Board, only if any of the following occurs:

(1) A bank or corporation willfully fails to comply substantially with Section 25401d or any federal law requiring the filing of domestic spreadsheets.

(2) After a reasonable adjustment of transfer prices, royalty rates, the allocation of common expenses, and similar adjustments, the return filed pursuant to this section fails to prevent the willful evasion of taxes.

(3) An otherwise qualified taxpayer willfully fails to do any of the following:

(A) Retain and make available upon request the documents and information, including any questionnaires completed and submitted to the Internal Revenue Service or qualified states, which are necessary to audit issues involving attribution of income to the United States or foreign jurisdictions under Sections 482, 861, 863, 902, and 904, and Subpart F of Part III of Subchapter N, or similar sections of the Internal Revenue Code.

(B) Identify, upon request, principal officers or employees who have substantial knowledge of, and access to, documents and records which discuss pricing policies, profit centers, cost centers, and the methods of allocating income and expense among these centers. The information shall include the employees' titles and addresses.

(C) Retain and make available upon request all documents and correspondence ordinarily available to a bank or corporation included in the water's-edge election which are submitted to or obtained from the Internal Revenue Service, foreign countries or their territories or possessions, and competent authority pertaining to ruling requests, rulings, settlement resolutions, and competing claims involving jurisdictional assignment and sourcing of income that affect the assignment of income to the United States. The documents shall include all ruling requests and rulings on reorganizations involving foreign incorporation of branches, all ruling requests and rulings on changing a bank or corporation's jurisdictional incorporation, and all documents which are ordinarily available to a bank or corporation included in the water's-edge election which pertain to the determination of foreign tax liability, including examination reports issued by foreign taxing administrations. If the documents have been translated, the translations shall be furnished.

(D) Upon request, prepare and make available for each bank or corporation included in the disclosure spreadsheet referred to in Section 25401d in which the taxpayer is included, a list of each state of the United States, including the District of Columbia, territories or possessions, and each foreign country in which it has payroll, property, or sales. The sales shall be determined by destination whether or not the taxpayer is taxable in the destination jurisdiction.

(E) Retain and make available, upon request, forms filed with the Internal Revenue Service to comply with Sections 6038, 6038A, and 6041 of the Internal Revenue Code.

(F) Upon request, prepare and make available for each bank or corporation organized or created under the laws of the United States or a political subdivision thereof, of which 50 percent or more of its voting stock is directly or indirectly owned or controlled, the information which would be included in the forms described in subparagraph (E) if those forms were required for United States corporations.

(G) Retain and make available, upon request, all state tax returns filed by each bank or corporation included under subdivision (a) in each state, including the District of Columbia.

(H) Comply with reasonable requests for information necessary to determine or verify its net income, apportionment factors, or the geographic source of that income pursuant to the Internal Revenue Code.

(I) For purposes of this subdivision, information for any year shall be retained for that period of time in which the taxpayer's income or franchise tax liability to this state may be subject to adjustment,

including all periods in which additional income or franchise taxes may be assessed or during which an appeal is pending before the State Board of Equalization or a lawsuit is pending in the courts of this state or the United States with respect to California franchise or income tax.

(d) The taxpayer shall be provided 90 days' prior written notice that the Franchise Tax Board intends to disregard a water's-edge election under subdivision (c). The taxpayer shall have the right to seek review in the superior court of the Franchise Tax Board's intended decision to disregard the election.

(e) In disregarding an election or in granting a change of election, the Franchise Tax Board shall impose any conditions which are necessary to prevent the avoidance of tax or clearly reflect income for the period the election was, or was purported to be, in effect. These conditions may include a requirement that income, including dividends paid from income earned while a water's-edge election was in effect, which would have been included in determining the income of the taxpayer from sources within and without this state pursuant to Section 25101 but for the water's-edge election shall be included in income in the year in which the election is changed or disregarded.

(f) If the taxpayer desires in any year not to renew the contract, the taxpayer shall serve written notice of nonrenewal of the contract upon the board in advance of the annual renewal date of the contract. Unless that written notice is served by the taxpayer at least 90 days prior to the renewal date, the contract shall be considered renewed as provided in subdivision (a).

(g) If the taxpayer serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract, as the case may be.

SEC. 14. Section 25954 of the Revenue and Taxation Code is amended to read:

25954. (a) Notwithstanding the provisions of the preceding sections of this article, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax paid on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser—

(1) The tax shown on the return of the taxpayer for the preceding income year if a return showing a liability for tax was filed by the taxpayer for the preceding year and such preceding year was a year of 12 months. The tax shown on the return, in the case of the tax imposed by Article 3 (commencing with Section 23181) of Chapter 2, means the amount of tax shown on the return for the income year as prescribed in Section 25553.

(2) An amount equal to the tax computed at the rates applicable

to the taxable year but otherwise on the basis of the facts shown on the return of the taxpayer for, and the law applicable to, the preceding taxable year, if that return was for a 12-month period.

(3) (A) An amount equal to 90 percent of the tax for the income year computed by placing on an annualized basis the taxable income:

(i) For the first three months of the income year, in the case of the installment required to be paid in the fourth month,

(ii) For the first three months or for the first five months of the income year, in the case of the installment required to be paid in the sixth month,

(iii) For the first six months or for the first eight months of the income year in the case of the installment required to be paid in the ninth month, and

(iv) For the first nine months or for the first 11 months of the income year, in the case of the installment required to be paid in the 12th month of the taxable year.

(B) For purposes of this paragraph, the taxable income shall be placed on an annualized basis by—

(i) Multiplying by 12 the taxable income referred to in subparagraph (A), and

(ii) Dividing the resulting amount by the number of months in the income year referred to in subparagraph (A).

"Taxable income" as used in this section means, in the case of the tax imposed by Chapter 2 (commencing with Section 23101), income includable in the measure of the tax.

(b) (1) (A) Except as provided in subdivision (c) and subparagraph (B), in the case of a large corporation, paragraphs (1) and (2) of subdivision (a) shall not apply.

(B) For income years beginning before 1983, in the case of a large corporation, the amount treated as the estimated tax for the income year under paragraphs (1) and (2) of subdivision (a) shall in no event be less than the applicable percentage of—

(i) The tax shown on the return for the income year, or

(ii) If no return was filed, the tax for such year.

(C) For purposes of subparagraph (B), the applicable percentage shall be determined in accordance with the following table:

If the income year begins in:	The applicable percentage is:
1982	65

(2) For purposes of this subdivision, the term "large corporation" means any corporation or bank if that corporation or bank (or any predecessor corporation) had taxable income of one million dollars ($1,000,000) or more for any income year during the testing period.

(3) For purposes of this subdivision, the term "testing period" means the three income years immediately preceding the income year involved.

(c) (1) (A) Except as provided in subparagraph (B), in the case

of a large worldwide corporation, paragraphs (1) and (2) of subdivision (a) shall not apply.

(B) For income years beginning after 1981, in the case of a large worldwide corporation, the amount treated as the estimated tax for the income year under paragraphs (1) and (2) of subdivision (a) shall in no event be less than the applicable percentage of—

(i) The tax shown on the return for the income year, or

(ii) If no return was filed, the tax for that year.

(C) For purposes of subparagraph (B), the applicable percentage shall be determined in accordance with the following table:

If the income year begins in:	The applicable percentage is:
1982	65
1983 and thereafter	70

(2) For purposes of this subdivision, the term "large worldwide corporation" means any corporation or bank if that corporation or bank (or any predecessor corporation or bank)—(A) had taxable income of one million dollars ($1,000,000) or more for any income year during the testing period, and (B) included during the testing period, for purposes of the tax imposed by this part, income and apportionment factors of one or more banks or corporations which derive all of their income from sources outside the United States which are not subject to the income taxes imposed by Subtitle A of the United States Internal Revenue Code.

(3) For purposes of this subdivision, the term "testing period" means the three income years immediately preceding the income year involved.

(d) The amendments made to Sections 25951 and 25952 and this section by the act adding this subdivision shall become operative with respect to income years beginning on or after January 1, 1983.

CHAPTER 363

An act to amend Section 33352 of, and to add Section 33353.7 to, the Health and Safety Code, relating to redevelopment.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 33352 of the Health and Safety Code is amended to read:

33352. Every redevelopment plan submitted by the agency to the legislative body shall be accompanied by a report containing all of the following:

(a) The reasons for the selection of the project area, a description of the specific projects then proposed by the agency, a description of how these projects will improve or alleviate the conditions described in subdivision (b), and an explanation of why the elimination of blight and the redevelopment of the project area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the legislative body's use of financing alternatives other than tax increment financing.

(b) A description of the physical, social, and economic conditions existing in the area.

(c) The proposed method of financing the redevelopment of the project area in sufficient detail so that the legislative body may determine the economic feasibility of the plan.

(d) A method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which method or plan shall include the provision required by Section 33411.1 that no persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacement.

(e) An analysis of the preliminary plan.

(f) The report and recommendations of the planning commission.

(g) The summary referred to in Section 33387.

(h) The report required by Section 65402 of the Government Code.

(i) The report required by Section 21151 of the Public Resources Code.

(j) The report of the county fiscal officer as required by Section 33328.

(k) The report of the fiscal review committee, if any.

(*l*) If the project area contains low- or moderate-income housing, a neighborhood impact report which describes in detail the impact of the project upon the residents of the project area and the surrounding areas, in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. The neighborhood impact report shall also include all of the following:

(1) The number of dwelling units housing persons and families of low or moderate income expected to be destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project.

(2) The number of persons and families of low or moderate income expected to be displaced by the project.

(3) The general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413.

(4) The number of dwelling units housing persons and families of

low or moderate income planned for construction or rehabilitation, other than replacement housing.

(5) The projected means of financing the proposed dwelling units for housing persons and families of low and moderate income planned for construction or rehabilitation.

(6) A projected timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives.

(m) An analysis by the agency of the report submitted by the county as required by Section 33328, which shall include a summary of the consultation of the agency, or attempts to consult by the agency, with each of the taxing agencies as required by Section 33328; and an analysis by the agency of the report of the fiscal review committee, if any, which shall include the agency's response to the report of the fiscal review committee, as required by Section 33353.7, additional information, if any, and, at the discretion of the agency, proposed mitigation measures.

SEC. 2. Section 33353.7 is added to the Health and Safety Code, to read:

33353.7. If the fiscal review committee has submitted the report pursuant to Section 33353.5 and within the time limits prescribed by that section or at a later time agreed upon by the agency, the agency shall, within 30 days of the agency's receipt of that report and in no event later than one week prior to the public hearing on the adoption of the redevelopment plan, prepare and submit a written response to that report to the chairperson of the committee. The response shall address the issues raised by the committee's report, including reasons for not adopting recommendations of the committee regarding the financial burden or detriment which the redevelopment plan will cause.

SEC. 3. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Pursuant to Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the July 1 following the date on which the act takes effect pursuant to the California Constitution.

CHAPTER 364

An act to add Section 11770 to the Government Code, relating to information technology.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) Information processing systems and communication networks have proven to be essential to the efficient and effective operation of state government in what has become known as the "Information Age."

(b) Information systems and communication networks have reshaped the ways in which the public is informed, and have become essential to the function of government and to the provision of governmental services.

(c) The people of California, including its policymakers, have a vital interest in protecting the government's informational assets and information processing capability, and providing for the confidentiality and privacy of information.

(d) The loss, damage to, or modification of informational assets, or damage to, or destruction of, information processing capability would have a serious negative impact on the operation of the state government and would endanger the health and safety of the citizens of California.

(e) To reduce the probability of an intentional or accidental occurrence that would damage or cause the loss of informational assets or information processing capability, the Legislature enacts this act.

SEC. 2. Section 11770 is added to the Government Code, to read:

11770. (a) The Office of Information Technology shall do all of the following:

(1) Develop the policies and standards to be followed in providing for the confidentiality of information.

(2) Develop policies necessary to ensure the security of the state's informational and physical assets.

(3) Develop policies to provide for the preservation of the state's information processing capability.

(4) Coordinate research and identify solutions to problems affecting information security.

(5) Review and approve personal services contracts for information security consulting services.

(6) Represent the state to the federal government, other agencies of state government, local government entities, and private industry on issues that have statewide impact on information security.

(7) Develop policies and monitor state agencies to ensure that

agency business operations will continue to function in the event of a disaster.

(8) Review and advise on security plans concerning the location and construction of information processing facilities for state agencies.

(9) Prepare policies and procedures for inclusion in the State Administrative Manual for use by state agencies regarding the applicable law relating to confidentiality and privacy of, and public access to, information.

(b) State agencies shall notify the office of all incidents involving the unauthorized intentional damage to, or modification or destruction of, electronic information, and the damage to, or destruction or theft of, data processing equipment, or the intentional damage to, or destruction of, information processing facilities. The office shall investigate any incident it deems necessary.

(c) This section shall not apply to the California State Lottery.

CHAPTER 365

An act to amend Sections 100, 500, and 3751 of, and to add Sections 47 and 300.5 to, the Elections Code, relating to elections.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 47 is added to the Elections Code, to read:

47. (a) For purposes of this code, the following shall apply to the counting of words:

(1) Punctuation is not counted.

(2) Each word shall be counted as one word except as specified in this section.

(3) All geographical names shall be considered as one word; for example, "City and County of San Francisco" shall be counted as one word.

(4) Each abbreviation for a word, phrase, or expression shall be counted as one word.

(5) Hyphenated words that appear in any generally available dictionary shall be considered as one word. Each part of all other hyphenated words shall be counted as a separate word.

(6) Dates consisting of a combination of words and digits shall be counted as two words. Dates consisting only of a combination of digits shall be counted as one word.

(7) Any number consisting of a digit or digits shall be considered as one word. Any number which is spelled, such as "one," shall be considered as a separate word or words. "One" shall be counted as one word whereas "one hundred" shall be counted as two words.

"100" shall be counted as one word.

(b) This section shall not apply to counting words for ballot designations under Section 10211.

SEC. 2. Section 100 of the Elections Code is amended to read:

100. (a) Every person who qualifies under Section 2 of Article II of the Constitution and who complies with this code governing the registration of electors may vote at any election held within the territory within which he or she resides and the election is held.

(b) Any person who will be at least 18 years of age at the time of the next election is eligible to register and vote at that election.

SEC. 3. Section 300.5 is added to the Elections Code, to read:

300.5. A person entitled to register to vote shall be a United States citizen, a resident of California, not in prison or on parole for the conviction of a felony, and at least 18 years of age at the time of the next election.

SEC. 4. Section 500 of the Elections Code is amended to read:

500. The affidavit of registration shall show:

(a) The facts necessary to establish the affiant as an elector.

(b) The affiant's name at length, including his or her given name, and a middle name or initial, or if the initial of the given name is customarily used, then the initial and middle name. The affiant's given name may be preceded, at affiant's option, by the designation of Miss, Ms., Mrs. or Mr. No person shall be denied the right to register because of his or her failure to mark a prefix to the given name and shall be so advised on the voter registration card. This subdivision shall not be construed as requiring the printing of prefixes on an affidavit of registration.

(c) The affiant's place of residence, and residence telephone number, if furnished. No person shall be denied the right to register because of his or her failure to furnish a telephone number, and shall be so advised on the voter registration card.

(d) The affiant's mailing address, if different from the place of residence.

(e) The affiant's date of birth to establish that he or she will be at least 18 years of age on or before the date of the next election.

(f) The state or country of the affiant's birth.

(g) The affiant's occupation.

(h) The affiant's political party affiliation.

(i) That the affiant is currently not imprisoned or on parole for the conviction of a felony.

(j) A prior registration portion indicating whether the affiant has been registered at another address, under another name, or as intending to affiliate with another party. If the affiant has been so registered, he or she shall give an additional statement giving that address, name, or party.

The affiant shall certify the content of the affidavit as to its truth and correctness, under penalty of perjury, with the signature of his or her name and if affiant is unable to write he or she shall sign with a mark or cross.

The affiant shall date the affidavit immediately following the affiant's signature. If any person, including a deputy registrar, assists the affiant in completing the affidavit, that person shall sign and date the affidavit below the signature of the affiant.

SEC. 5. Section 3751 of the Elections Code is amended to read:

3751. (a) Except an ordinance granting a franchise, the following ordinances shall take effect immediately:

(1) Those calling or otherwise relating to an election.

(2) Those specifically required by law to take immediate effect.

(3) Those fixing the amount of money to be raised by taxation or the rate of taxes to be levied.

(4) Those for the immediate preservation of the public peace, health, or safety. The ordinances referred to in this subdivision shall contain a declaration of the facts constituting the necessity and shall be passed by a four-fifths vote of the board of supervisors.

(b) All other ordinances, including ordinances granting a franchise, shall become effective 30 days from and after the date of final passage.

CHAPTER 366

An act to amend Sections 7028, 7028.2, and 7099.85 of the Business and Professions Code, relating to contractors.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7028 of the Business and Professions Code is amended to read:

7028. (a) It is a misdemeanor for any person to engage in the business or act in the capacity of a contractor within this state without having a license therefor, unless such person is particularly exempted from the provisions of this chapter.

(b) If such a person has been previously convicted of the offense described in this section, the court shall impose a fine of 20 percent of the price of the contract under which the unlicensed person performed contracting work, or four thousand five hundred dollars ($4,500), whichever is greater, or imprisonment in the county jail for not less than 10 days nor more than six months, or both.

(c) In the event the person performing the contracting work has agreed to furnish materials and labor on an hourly basis, "the price of the contract" for the purposes of this section means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

(d) Notwithstanding any other provision of law to the contrary, an indictment for any violation of this section with respect to work done

by the unlicensed contractor shall be found or an information or complaint filed within three years from the date of completion of the work.

SEC. 2. Section 7028.2 of the Business and Professions Code is amended to read:

7028.2. A criminal complaint pursuant to this chapter may be brought by the Attorney General or by the district attorney or prosecuting attorney of any city, in the municipal court of any county in the state with jurisdiction over the contractor or employer, by reason of the contractor's or employer's act, or failure to act, within that jurisdiction. Any penalty assessed by the court shall be paid to the office of the prosecutor bringing the complaint.

SEC. 3. Section 7099.85 of the Business and Professions Code is amended to read:

7099.85. (a) Notwithstanding Sections 7099.6 and 7099.8, the failure of an unlicensed individual to comply with a citation after it is final is a misdemeanor.

(b) Notwithstanding Section 1462.5 or 1463 of the Penal Code or any other provision of law, any fine collected upon conviction in a criminal action brought under this section shall be distributed as follows:

(1) If the action is brought by a district attorney, any fine collected shall be paid to the treasurer of the county in which the judgment was entered to be designated for use by the district attorney.

(2) If the action is brought by a city attorney or city prosecutor, any fine collected shall be paid to the treasurer of the city in which the judgment was entered, to be designated for use by the city attorney.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 367

An act to amend Section 40005 of the Public Utilities Code, and to amend Section 941.1 of, and to add Sections 941.4 and 1630 to, the Streets and Highways Code, relating to transportation.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the development of county expressway systems is in the interest of the people of California and can provide a cost-effective supplement to the state highway system. Scarce resources together with high costs have limited the expansion of the state highway system. The development of county expressway systems, where appropriate, offers the opportunity to expand transportation service through a local-state partnership.

SEC. 2. Section 40005 of the Public Utilities Code is amended to read:

40005. "Transit" means the transportation of passengers only and their incidental baggage by means other than by chartered bus, sightseeing bus, or any other motor vehicle not on an individual passenger fare-paying basis and includes carpools and ridesharing in private vehicles. Nothing in this section shall be construed to prohibit the district from leasing its buses to private certified public carriers or to prohibit the district from providing schoolbus service for the transportation of pupils between their homes and schools.

SEC. 3. Section 941.1 of the Streets and Highways Code is amended to read:

941.1. The board of supervisors may lay out, acquire, construct, and maintain any section or portion of any street or highway within the county as a freeway or expressway and may make any existing street or highway a freeway or expressway.

SEC. 4. Section 941.4 is added to the Streets and Highways Code, to read:

941.4. (a) The board of supervisors, with the consent of any city in which the proposed system is located, in whole or in part, may designate a system of expressways within the county. The designation shall be based on a study of the transportation needs of the county, which shall include a financing plan for the expressway system.

(b) The purpose of the county expressway system is to provide a level of service that is greater than that of city streets and county roads, but less than that provided by the state system of freeways. The designated county expressway system shall serve both incorporated and unincorporated areas of a county, as appropriate.

(c) The board of supervisors may enter into an agreement with

the city council or other governing body of a city to close any city street at or near its intersection with an expressway or to provide for carrying the street over, under, or to a connection with the expressway, and to perform any work necessary for this purpose. No city street may be closed by the construction of an expressway except pursuant to such an agreement. No city street may be connected with an expressway unless the board of supervisors, by resolution, consents and specifies the terms and conditions of that connection. The board of supervisors may permit or prohibit, or specify the terms and conditions of, a connection as, in its opinion, will best serve the public interest of the county. This subdivision does not apply to any connection constructed prior to January 1, 1989.

(d) Notwithstanding any other provision of this division, the designated county expressway system may be planned, designed, acquired, constructed, reconstructed, rehabilitated, maintained, operated, and owned by the county in both incorporated and unincorporated areas.

(e) The board of supervisors may delegate any authority under this section to any local agency which it finds and determines has the capability to plan, design, acquire, construct, reconstruct, rehabilitate, maintain, operate, and own an expressway.

(f) The boards of supervisors of two or more adjacent counties into which an expressway is proposed to extend may enter into an agreement to plan, design, acquire, construct, reconstruct, rehabilitate, maintain, operate, or own the expressway. The agreement shall provide for the creation of a governing body with representation from each county.

(g) Any county having an existing expressway system which was designated by the board of supervisors before January 1, 1989, shall be deemed to have met the conditions of this section. Any new expressway project within such a system is subject to this section.

(h) As used in this section, "expressway" means a highway having partial or complete control of access, whether or not divided or with separations of grade at intersections.

SEC. 5. Section 1630 is added to the Streets and Highways Code, to read:

1630. The board of supervisors may use any appropriate method of funding the planning, designing, acquisition, construction, reconstruction, rehabilitation, maintenance, and operation of the county expressway system designated pursuant to Section 941.4.

CHAPTER 368

An act to amend Section 7031 of the Business and Professions Code, relating to contractors.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7031 of the Business and Professions Code is amended to read:

7031. (a) No person engaged in the business or acting in the capacity of a contractor, may bring or maintain any action, or recover in law or equity in any action, in any court of this state for the collection of compensation for the performance of any act or contract for which a license is required by this chapter without alleging and proving that he or she was a duly licensed contractor at all times during the performance of that act or contract, regardless of the merits of the cause of action brought by the person, except that this prohibition shall not apply to contractors who are each individually licensed under this chapter but who fail to comply with Section 7029.

(b) A security interest taken to secure any payment for the performance of any act or contract for which a license is required by this chapter is unenforceable if the person performing the act or contract was not a duly licensed contractor at all times during the performance of the act or contract.

(c) Proof of licensure pursuant to this section shall be made by production of a verified certificate of licensure from the Contractors' State License Board which establishes that the individual or entity bringing the action was duly licensed in the proper classification of contractors at all times during the performance of any act or contract covered by the action.

(d) The judicial doctrine of substantial compliance shall not apply to this section.

CHAPTER 369

An act to amend Section 2807 of the Penal Code, relating to state government.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2807 of the Penal Code is amended to read:

2807. (a) The authority is hereby authorized and empowered to operate industrial, agricultural, and service enterprises which will provide products and services needed by the state, or any political subdivision thereof, or by the federal government, or any department, agency, or corporation thereof, or for any other public use. Products may be purchased by state agencies to be offered for sale to inmates of the department and to any other person under the care of the state who resides in state-operated institutional facilities.

(b) All things authorized to be produced under subdivision (a) shall be purchased by the state, or any agency thereof, and may be purchased by any county, city, district, or political subdivision, or any agency thereof, or by any state agency to offer for sale to persons residing in state-operated institutions, at the prices fixed by the board. State agencies shall make maximum utilization of these products, and shall consult with the staff of the authority to develop new products and adapt existing products to meet their needs.

(c) The following state agencies and officers shall report by January 1 of each year to the Director of General Services and to the Chairperson of the Joint Legislative Budget Committee on their use in the prior fiscal year of goods and services provided by the authority, and shall include comments on planned future use of these goods and services:

(1) The State and Consumer Services Agency.
(2) The Business, Transportation and Housing Agency.
(3) The Health and Welfare Agency.
(4) The Resources Agency.
(5) The Youth and Adult Correctional Agency.
(6) The Environmental Affairs Agency
(7) Department of Food and Agriculture.
(8) The Attorney General.
(9) The Secretary of State.
(10) The Treasurer.
(11) The Controller.
(12) The Superintendent of Public Instruction.

Reports submitted under this subdivision shall be specific as to department and unit under each agency's or office's jurisdiction.

CHAPTER 370

An act to amend Section 13009.6 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 13009.6 of the Health and Safety Code is amended to read:

13009.6. (a) (1) Those expenses of an emergency response necessary to protect the public from a real and imminent threat to health and safety by a public agency to confine, prevent, or mitigate the release, escape, or burning of hazardous substances described in subdivision (c) are a charge against any person whose negligence causes the incident, if either of the following occurs:

(A) Evacuation beyond the property where the incident originates is necessary to prevent loss of life or injury.

(B) The incident results in the spread of hazardous substances or fire posing a real and imminent threat to public health and safety beyond the property of origin.

(2) Expenses reimbursable to a public agency under this section are a debt of the person liable therefor, and shall be collectible in the same manner as in the case of an obligation under contract, express or implied.

(3) The charge created against the person by this subdivision is also a charge against the person's employer if the negligence causing the incident occurs in the course of the person's employment.

(4) The public agencies participating in an emergency response meeting the requirements of paragraph (1) of this subdivision may designate one or more of the participating agencies to bring an action to recover the expenses incurred by all of the designating agencies which are reimbursable under this section.

(5) An action to recover expenses under this section may be joined with any civil action for penalties, fines, injunctive, or other relief brought against the responsible person or employer, or both, arising out of the same incident.

(b) There shall be deducted from any amount otherwise recoverable under this section, the amount of any reimbursement for eligible costs received by a public agency pursuant to Chapter 6.8 (commencing with Section 25300) of Division 20. The amount so reimbursed may be recovered as provided in Section 25360.

(c) As used in this section, "hazardous substance" means any hazardous substance listed in Section 25316 of this code or in Section 6382 of the Labor Code.

(d) As used in this section, "mitigate" includes actions by a public agency to monitor or model ambient levels of airborne hazardous

substances for the purpose of determining or assisting in the determination of whether or not to evacuate areas around the property where the incident originates, or to determine or assist in the determination of which areas around the property where the incident originates should be evacuated.

SEC. 2. Section 13009.6 of the Health and Safety Code is amended to read:

13009.6. (a) (1) Those expenses of an emergency response necessary to protect the public from a threat to health and safety by a public agency to confine, prevent, or mitigate the release, escape, or burning of hazardous substances described in subdivision (c) are a charge against any person whose negligence causes the incident, if either of the following occurs:

(A) Evacuation beyond the property where the incident originates is necessary to prevent loss of life or injury.

(B) The incident results in the spread of hazardous substances or fire posing a real and imminent threat to public health and safety beyond the property of origin.

(2) Expenses reimbursable to a public agency under this section are a debt of the person liable therefor, and shall be collectible in the same manner as in the case of an obligation under contract, express or implied. However, any expenses incurred pursuant to this section by a health or fire department of a county or city which assigns one or more of its officers to respond to, or to investigate, the accidental, intentional, or negligent release, escape, or burning of hazardous substances pursuant to this section shall be assessed as a fee against the person liable therefor. The liable person shall pay this fee only to the emergency response program of the health or fire department of the county or city. A person who fails to pay the fee when notified is subject to a civil penalty of up to two thousand dollars ($2,000) for each day in which the fee remains due and payable.

(3) The charge created against the person by this subdivision is also a charge against the person's employer if the negligence causing the incident occurs in the course of the person's employment.

(4) The public agencies participating in an emergency response meeting the requirements of paragraph (1) of this subdivision may designate one or more of the participating agencies to bring an action to recover the expenses incurred by all of the designating agencies which are reimbursable under this section.

(5) An action to recover expenses under this section may be joined with any civil action for penalties, fines, injunctive, or other relief brought against the responsible person or employer, or both, arising out of the same incident.

(b) There shall be deducted from any amount otherwise recoverable under this section, the amount of any reimbursement for eligible costs received by a public agency pursuant to Chapter 6.8 (commencing with Section 25300) of Division 20. The amount so reimbursed may be recovered as provided in Section 25360.

(c) As used in this section, "hazardous substance" means any

hazardous substance listed in Section 25316 of this code or in Section 6382 of the Labor Code.

(d) As used in this section, "mitigate" includes actions by a public agency to monitor or model ambient levels of airborne hazardous substances for the purpose of determining or assisting in the determination of whether or not to evacuate areas around the property where the incident originates, or to determine or assist in the determination of which areas around the property where the incident originates should be evacuated.

SEC. 3. Section 2 of this bill incorporates amendments to Section 13009.6 of the Health and Safety Code proposed by both this bill and SB 1049. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1990 (2) each bill amends Section 13009.6 of the Health and Safety Code, and (3) this bill is enacted after SB 1049, in which case Section 1 of this bill shall not become operative.

CHAPTER 371

An act to amend Section 21647 of the Business and Professions Code, relating to property.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21647 of the Business and Professions Code is amended to read:

21647. (a) Whenever any peace officer has probable cause to believe that property in the possession of a pawnbroker or secondhand dealer is stolen, the peace officer may place a hold on the property for a period not to exceed 90 days. When a peace officer places a hold on the property, the peace officer shall give the pawnbroker or secondhand dealer a written notice at the time the hold is placed, describing the item or items to be held. During that period the pawnbroker or secondhand dealer shall not release or dispose of the property, except pursuant to a court order or upon receipt of a written authorization signed by any peace officer who is a member of the law enforcement agency of which the peace officer placing the hold on the property is a member. Except as specifically set forth in this section, a pawnbroker or secondhand property dealer shall not be subject to civil liability for compliance with this section.

(b) Whenever property that is in the possession of a pawnbroker or secondhand dealer is subject to a hold and the property is required by a peace officer in a criminal investigation, the pawnbroker or secondhand dealer, upon reasonable notice, shall produce the

property at reasonable times and places or may deliver the property to any peace officer upon the request of any peace officer who is a member of the law enforcement agency of which the peace officer placing the hold on the property is a member.

(c) Whenever property that is in the possession of a pawnbroker or secondhand dealer is subject to a hold and the property is no longer required for the purpose of criminal investigation, the law enforcement agency that placed the hold on the property shall undertake the following:

(1) With respect to the property being held, if the law enforcement agency has no knowledge of the property on hold being reported as stolen, the property shall be released.

(2) If the law enforcement agency has knowledge that the property has been reported stolen, the law enforcement agency shall notify the person who reported the stolen property of the name and address of the pawnbroker or secondhand dealer holding the property, authorize the release of the property to that person, and advise the person that the law neither requires nor prohibits payment of a fee or any other condition in return for the surrender of the property; notwithstanding the foregoing, if the alleged owner chooses not to file a criminal complaint against an identified alleged thief, the alleged owner shall pay the pawnbroker or secondhand dealer the "out of pocket" expenses paid in the acquisition of the allegedly stolen property.

The law enforcement agency that placed the property on hold shall release the hold after 60 days has elapsed following the delivery of the notice to the person who reported the property stolen.

(3) If a pledgor seeks to redeem property that is subject to a hold, the pawnbroker or secondhand dealer shall advise the pledgor of the name and badge number of the peace officer who placed the hold on the property and the name of the law enforcement agency of which the officer is a member. If the property is not required to be held pursuant to a criminal prosecution the hold shall be released.

CHAPTER 372

An act to add Article 5 (commencing with Section 753) to Chapter 1 of Part 2 of Division 1 of the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Article 5 (commencing with Section 753) is added to Chapter 1 of Part 2 of Division 1 of the Insurance Code, to read:

Article 5. Unlawful Referrals

753. (a) It is unlawful for any insurance agent or broker, or any insurance solicitor employed thereby, to receive any financial benefit from an automobile repair facility or any other form of direct or indirect consideration from any person for referring insureds to that person or that person's designee for vehicle repairs covered under the automobile comprehensive coverage, property damage coverage, or automobile collision coverage, of an insurance policy issued through the insurance agent or broker or by an insurer represented by the insurance agent.

(b) Subdivision (a) applies with respect to commercial and noncommercial policies of automobile insurance.

(c) For purposes of this section, "financial benefit" means the receiving of any commission or gratuity, discount on repair costs, free repairs, or employment by a repair facility.

SEC. 2. The Legislature finds and declares that the reenactment of Section 753 of the Insurance Code, which was repealed by Proposition 103, is in furtherance of the purpose of Proposition 103, within the meaning of subdivision (b) of Section 8 of Proposition 103. The Legislature determines that the repeal of Section 753 of the Insurance Code by Proposition 103 did not further the interests of consumers, was inconsistent with the purposes of that proposition, and was inadvertent. If this bill is chaptered, it is the intent of the Legislature that the Insurance Commissioner enforce the reenactment of Section 753 in the same manner as that section was previously enforced, specifically in accordance with repealed Section 766 of the Insurance Code, as amended by Chapter 4 of the Statutes of 1959.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent kickbacks from vehicle repair facilities for referrals by persons in the insurance business, without delay, it is necessary that this act go into immediate effect.

CHAPTER 373

An act to amend Sections 4034.5, 4035.4, 4050.6, 4050.8, 4080, 4081, and 4227 of the Business and Professions Code, relating to pharmacy.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 4034.5 of the Business and Professions Code is amended to read:

4034.5. (a) "Medical device retailer" is an area, place, or premises, other than a pharmacy, in and from which dangerous devices are sold, fitted, or dispensed pursuant to prescription. "Medical device retailer" includes, but is not limited to, any area, place, or premises described in a permit issued by the board by reference to plans filed with and approved by the board wherein dangerous devices, as defined, are stored, possessed, prepared, manufactured, or repackaged, and from which the dangerous devices are furnished, sold or dispensed at retail.

(b) "Medical device retailer" shall not include any area in a facility licensed by the State Department of Health Services where floor supplies, ward supplies, operating room supplies, or emergency room supplies of dangerous devices are stored or possessed solely for treatment of patients registered for treatment in the facility or for treatment in the facility or for treatment of patients receiving emergency care in the facilities.

(c) "Dangerous devices" as used in this chapter shall include, but is not limited to, all devices to which any of the following apply:

(1) Devices bearing the legend, "Caution, federal law prohibits dispensing without prescription," or words of similar import.

(2) Devices enumerated in Section 4211.

(3) Hypodermic syringes and needles, or other devices, the sale of which is restricted by law to a registered pharmacist.

Notwithstanding any other provision of this chapter, hypodermic needles and syringes shall only be distributed, possessed, or used as authorized by Article 5.5 (commencing with Section 4140) of this chapter.

(d) For purposes of this chapter, "device" does not include contact lenses.

(e) Neither this section nor any other provision of law shall be construed as prohibiting a medical device retailer from furnishing a prescription device to a licensed health care facility for storage in a secured emergency pharmaceutical supplies container maintained within the facility in accordance with facility regulations of the State Department of Health Services set forth in Title 22 of the California Code of Regulations.

SEC. 2. Section 4035.4 of the Business and Professions Code is

amended to read:

4035.4. No person other than a registered pharmacist, as defined in Section 4037, or an intern pharmacist, as defined in Section 4038.1, an exempt person, as specified in Section 4050.8, or an authorized officer of the law or a person authorized to prescribe, as provided in Section 4036, shall be permitted in that area, place, or premises described in the permit issued by the board pursuant to Section 4034.5 wherein dangerous devices as therein defined are stored, possessed, prepared, manufactured, or repacked, except that a registered pharmacist or exemptee shall be responsible for any individual who enters the medical device retailer as described in Section 4034.5 for the purposes of receiving fitting or consultation from the pharmacist or exemptee or (2) any person performing clerical, inventory control, housekeeping, delivery, maintenance, or similar functions relating to the medical device retailer, if the registered pharmacist or exemptee remains present in the medical device retailer during all times as the individual is present. However, an exemptee need not be present in a warehouse facility owned by a medical device retailer unless the board establishes that requirement by regulation based upon the need to protect the public.

A "warehouse" as used in this section, is a facility owned by a medical device retailer which is used for storage only. There shall be no fitting, display or sales at the location. A pharmacist or exemptee shall be designated as "in charge" of a warehouse but need not be present during operation. The pharmacist or exemptee may permit others to possess a key to the warehouse.

The board may by regulation establish reasonable security measures consistent with this section in order to prevent unauthorized persons from gaining access to the area, place, or premises or to the dangerous devices therein.

The board may by regulation establish a list of those dangerous devices which may be maintained, dispensed, sold, or furnished only by a pharmacist in a pharmacy. In establishing or modifying that list, the board shall consider factors, including, but not limited to:

(a) The potential for abuse or spread of illness.

(b) The danger to the public if the device is not so restricted.

(c) The potential danger to minors if the device is not so restricted.

The board may, by regulation, establish labeling requirements for dangerous devices sold, fitted, or dispensed by a medical device retailer as it deems necessary for the protection of the public.

SEC. 3. Section 4050.6 of the Business and Professions Code is amended to read:

4050.6. Each person applying for an exemption under Section 4050.5, 4050.7, or 4050.8 shall pay to the executive officer of the board the fees provided for in subdivision (h) of Section 4416.

SEC. 4. Section 4050.8 of the Business and Professions Code is amended to read:

4050.8. Section 4050 shall not prohibit a medical device retailer from selling or dispensing dangerous devices if the board finds that sufficient, qualified supervision is employed by the medical device retailer to adequately safeguard and protect the public health. Each person applying for an exemption shall meet the following requirements to obtain and maintain that exemption:

(a) The medical device retailer shall be in charge of an exempt person who has taken and passed an examination administered by the board and whose certificate of exemption is currently valid.

(b) The exempt person shall be on the premises at all times dangerous devices are available for sale or fitting unless dangerous devices are stored separately from other merchandise and are under the exclusive control of the exemptee. An exemptee need not be present in the warehouse facility of a medical device retailer unless the board establishes that requirement by regulation based upon the need to protect the public.

(c) No renewal certificate shall be issued by the board to an exempt person unless he or she submits proof satisfactory to the board of completion of board approved courses of home health education during the year preceding the application for renewal consisting of the number of hours, not to exceed five hours, designated by the board. The board may require a certificate holder to complete more than five hours of coursework as a condition in connection with any disciplinary action taken against the holder.

(d) Each premises maintained by a medical device retailer shall have a permit issued by the board and shall have an exempt person on the premises if dangerous devices are furnished, sold, or dispensed.

SEC. 5. Section 4080 of the Business and Professions Code is amended to read:

4080. (a) No person shall conduct a pharmacy or medical device retailer in the State of California unless he or she has obtained a certificate, license, permit or registration from the board. A certificate, license, permit or registration shall be required for each pharmacy or medical device retailer owned or operated by a specific person. A separate certificate, license, permit, or registration shall be required for each of the premises of any person operating a pharmacy or medical device retailer in more than one location. Such certificate, license, permit or registration shall be renewed annually and shall not be transferable.

(b) A warehouse owned by a medical device retailer, the primary purpose of which is storage, not dispensing of dangerous devices to patients, shall be licensed at a fee one-half of that for a medical device retailer. There shall be no separate or additional license fee for warehouse premises owned by a medical device retailer which are physically connected to the retail premises or which share common access.

SEC. 6. Section 4081 of the Business and Professions Code is amended to read:

4081. (a) Each application to conduct a pharmacy or medical device retailer shall be made on a form furnished by the board, and shall state the name, address, usual occupation, and professional qualifications, if any, of the applicant. If the applicant is other than a natural person, the application shall state the information as to each person beneficially interested therein.

(b) As used in this section, and subject to subdivision (c), the term "person beneficially interested" means and includes:

(1) If the applicant is a partnership or other unincorporated association, each partner or member.

(2) If the applicant is a corporation, each of its officers, directors, and stockholders, provided that no natural person shall be deemed to be beneficially interested in a nonprofit corporation.

(c) In any case where the applicant is a partnership or other unincorporated association, or is a corporation, and where the number of partners, members, or stockholders, as the case may be, exceeds five, the application shall so state, and shall further state the information required by subdivision (a) as to each of the five partners, members, or stockholders who own the five largest interests in the applicant entity. Upon request by the executive officer, the applicant shall furnish the board with the information required by subdivision (a) as to partners, members, or stockholders not named in the application, or shall refer the board to an appropriate source of that information.

(d) The application shall contain a statement to the effect that the applicant has not been convicted of a felony and has not violated any of the provisions of this chapter. If the applicant cannot make this statement the application shall contain a statement of the violation, if any, or reasons which will prevent the applicant from being able to comply with the requirements with respect to the statement.

(e) Upon the approval of the application by the board and payment of the fee required by this chapter for each pharmacy or medical device retailer, the executive officer of the board shall issue a permit to conduct a pharmacy or medical device retailer under the provisions of Section 4080, if all of the provisions of this chapter have been complied with.

(f) Any other provision of law notwithstanding, the permit shall authorize the holder to conduct a pharmacy and to sell and dispense prophylactics, hypodermics, hypnotics, and poisons. The permit shall be renewed annually and shall not be transferable, and any change in the beneficial ownership interest of the pharmacy shall be reported within 30 days thereafter upon a form to be furnished by the board.

(g) Any other provision of law notwithstanding, the medical device retailer permit shall authorize the holder thereof to conduct a medical device retailer and to sell and dispense dangerous devices as defined in Section 4211. Any change in the beneficial ownership interest of the medical device retailer shall be reported within 30 days thereafter upon a form to be furnished by the board.

SEC. 7. Section 4227 of the Business and Professions Code is amended to read:

4227. (a) No person shall furnish any dangerous drug or device except upon the prescription of a physician, dentist, podiatrist, or veterinarian.

(b) This section shall not apply to the furnishing of any dangerous drug or device by a manufacturer or wholesaler or pharmacy to each other or to a physician, dentist, podiatrist, or veterinarian, or to a laboratory under sales and purchase records that correctly give the date, the names and addresses of the supplier and the buyer, the drug or device and its quantity.

(c) A registered pharmacist, or a person exempted pursuant to Section 4050.7, may distribute dangerous drugs and devices directly to hemodialysis patients pursuant to regulations promulgated by the board. The board shall promulgate such regulations as are necessary to insure the safe distribution of such drugs and devices to hemodialysis patients without interruption of supply including, but not limited to, the following: vendor licensing, records and labeling, patient receipts, patient training, report records, specific product and quantity limitations, verification order forms, reports and supplies, adequate establishment facilities, and reports to the board. A person who violates a regulation promulgated pursuant to this subdivision shall be liable upon order of the board to surrender his or her personal license. These penalties shall be in addition to penalties which may be imposed pursuant to Sections 4389 and 4350.5. If the board finds any hemodialysis drugs or devices distributed pursuant to this subdivision to be ineffective or unsafe for the intended use, the board may institute immediate recall of any or all of such drugs or devices distributed to individual patients.

(d) Home hemodialysis patients who receive any drugs or devices pursuant to subdivision (c) shall have completed a full course of home training given by a renal dialysis center accredited by the State Department of Health Services. The physician and surgeon prescribing the hemodialysis products shall submit proof satisfactory to the manufacturer or wholesaler that the patient has completed such program.

(e) A registered pharmacist may furnish a dangerous drug authorized for use pursuant to Section 2620.3 to a physical therapist or may furnish a topical pharmaceutical agent authorized for use pursuant to subdivision (e) of Section 3041 to an optometrist. A record containing the date, name and address of the buyer, and name and quantity of the drug shall be maintained. This subdivision shall not be construed to authorize the furnishing of a controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code.

(f) A medical device retailer shall dispense, furnish, transfer, or sell a dangerous device only to another medical device retailer, a pharmacy, a licensed physician and surgeon, a licensed health care facility, or a patient or his or her personal representative.

CHAPTER 374

An act to amend Section 977.2 of the Penal Code, relating to criminal proceedings.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 977.2 of the Penal Code is amended to read:

977.2. (a) (1) Notwithstanding Section 977, the Board of Supervisors of Contra Costa, Del Norte, Kern, Los Angeles, Orange, Riverside, San Diego, Santa Clara, Shasta, Stanislaus, or Ventura Counties, or any of them, with the approval of the presiding judge, the district attorney, and the public defender, may establish a pilot project. The project shall be developed in close consultation between the presiding judge, the district attorney, the public defender, and the sheriff, and shall not exceed four years in duration.

(2) The Board of Supervisors of San Bernardino County, with the approval of the presiding judge of the court, the supervising judge of any division of the court in which the project is to be conducted, the district attorney and the public defender may establish a pilot project. The project shall be developed in close consultation between the presiding judge, the supervising judge, the district attorney, the public defender, and the sheriff, and shall not exceed four years in duration.

(b) The project shall permit the initial arraignment in municipal or superior court of defendants held in any state, county, or local penal facility within the county on felony charges, except for those defendants who were indicted by a grand jury, to be conducted by two-way electronic audio video communication between the defendant and the courtroom in lieu of the physical presence of the defendant in the courtroom. The defendant may be accompanied by his or her attorney, and may enter a plea, during such an arraignment. The defendant shall have the right to make his or her plea while physically present in the courtroom if he or she so requests.

(c) Each county conducting a pilot project pursuant to this section shall submit reports to the Legislative Analyst no later than September 30 of each year. The report shall include the following data:

(1) The number of add-on pleas, and the number of cases disposed of, through the use of audio video arraignment.

(2) The number of defendants who refuse to sign the waiver of personal appearance and are transported to the courtroom to be physically present for the arraignment proceedings.

(3) The number and impact of add-on defendants arraigned.

(4) Initial costs and maintenance costs of the project.

(5) Cost savings, including transportation costs, over the previous method of arraignment.

(6) The impact of audio video arraignment on all participants in the procedures used under this section, including, but not limited to, security personnel, attorneys, judges, defendants, and court employees.

(7) Any other benefits or problems incurred.

(8) Any future plans for the project.

Other specific data for inclusion in the report may be specified by the Judicial Council.

(d) The Legislative Analyst shall review and summarize all data submitted by the counties and shall submit a report on the fiscal effects of this section along with any recommendations to the Legislature no later than December 1 of each year. The Judicial Council shall submit a report on the nonfiscal, policy consequences of this section along with any recommendations to the Legislature no later than December 1, 1991.

(e) Notwithstanding any other provision of this section, a judge may order a defendant's personal appearance in court for arraignment, and shall not pursuant to this section accept a plea of guilty or no contest from a defendant not physically in the courtroom.

CHAPTER 375

An act to amend Section 44225 of, and to add Section 44255.5 to, the Education Code, relating to teachers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 44225 of the Education Code is amended to read:

44225. The commission shall do all of the following:

(a) Establish professional standards, assessments, and examinations for entry and advancement in the education profession. While the Legislature recognizes that the commission will exercise its prerogative to determine those requirements, it is the intent of the Legislature that standards, assessments, and examinations be developed and implemented for the following:

(1) The preliminary teaching credential, to be granted upon possession of a baccalaureate degree from a regionally accredited institution in a subject other than professional education, completion of an accredited program of professional preparation, and either successful passage of an examination or assessment that has been

adopted or approved by the commission in the subject or subjects appropriate to the grade level to be taught, to include college level reading, writing, and mathematics skills, or completion of an accredited program of subject matter preparation and successful passage of the basic skills proficiency test as provided for in Article 4 (commencing with Section 44250). The commission shall uniformly consider the results of the basic skills proficiency test in conjunction with other pertinent information about the qualifications of each candidate for a preliminary credential, and may award the credential on the basis of the overall performance of a candidate as measured by several criteria of professional competence, provided that each candidate meets minimum standards set by the commission on each criterion. Upon application by a regionally accredited institution of higher education, the commission may categorically grant credit to coursework completed in an accredited program of professional preparation, as specified by this paragraph, by undergraduates of that institution, where the commission finds there are adequate assurances of the quality of necessary undergraduate instruction in the liberal arts and in the subject area or areas to be taught.

(2) The professional teaching credential, to be granted upon successful passage of a state examination or assessment in the subject or subjects appropriate to the grade level to be taught, to include college level basic reading, writing, and mathematic skills, and completion of a period of beginning teacher support that includes assessments of ability to teach subject matter to pupils, ability to work well with pupils, classroom management, and instructional skills. A candidate who successfully passes the examination or assessment pursuant to paragraph (1) shall be deemed to have passed the state examination or assessment in the subject or subjects to be taught pursuant to this paragraph.

(b) Reduce and streamline the credential system to ensure teacher competence in the subject field or fields, while allowing greater flexibility in staffing local schools. The commission shall award the following types of credentials to applicants whose preparation and competence satisfy its standards:

(1) Basic teaching credentials for teaching in kindergarten, or any of the grades 1 to 12, inclusive, in public schools in this state.

(2) Credentials for teaching adult education classes and vocational education classes.

(3) Credentials for teaching specialties, including, but not necessarily limited to, bilingual education, early childhood education, and special education. The commission may grant credentials to any candidate who concurrently meets the commission's standards of preparation and competence for the preliminary basic teaching credential and the preliminary specialty credential.

(4) Credentials for school services, for positions including, but not limited to, administrators, school counselors, speech-language therapists, audiologists, school psychologists, library media teachers,

supervisors of attendance, and school nurses.

The commission may establish standards and requirements for preliminary and professional credentials of each type.

(c) Review and, if necessary, revise the code of ethics for the teaching profession.

(d) Establish standards for the issuance and renewal of credentials, certificates, and permits. In setting standards, the commission shall seek to ensure, through its credentialing of teachers, that public school teachers satisfy all of the following criteria:

(1) Are academically talented.

(2) Are knowledgeable of the subjects to be taught in the classroom.

(3) Are creative and energetic.

(4) Have the human skills to motivate and inspire pupils to achieve their goals.

(5) Have the sensitivity to foster self-esteem in pupils through recognition that each pupil has his or her own goals, talents, and levels of development.

(6) Be willing to relate the educational process and their instructional strategies to meet pupils' needs.

(7) Are able to work effectively with and motivate pupils from a variety of ethnic, socioeconomic, cultural, academic, and linguistic backgrounds.

(8) Have an understanding of principles and laws related to educational equity, and the equitable practice of the profession of education among all pupils regardless of their ethnicity, race, gender, age, religious background, primary language, or handicapping condition.

(e) Determine the scope and authorization of credentials, to ensure competence in teaching and other educational services, and establish sanctions for the misuse of credentials and the misassignment of credential holders. The commission may grant an added or supplementary authorization to a credential holder who has met the requirements and standards of the commission for the added or supplementary authorization. The commission shall exempt the holder of a teaching credential obtained prior to January 1, 1974, who adds an authorization by successfully completing a commission approved subject matter examination, from the requirements of subdivision (e) of Section 44259 and Sections 44261, 44261.5, and 44261.7.

(f) Collect, compile, and disseminate information regarding exemplary practices in supporting and assessing beginning teachers.

(g) Establish alternative methods for entry into the teaching profession, and into other certificated roles in the schools, by persons in varying circumstances, including persons who have been educated outside of California, provided that each applicant satisfies all of the requirements established by the commission. One alternative method shall be the successful completion of at least two

years of classroom instruction under a district intern certificate, pursuant to Article 7.5 (commencing with Section 44325). In establishing alternative methods for entry into the teaching profession, the commission shall develop strategies to encourage classroom aides to become credentialed teachers.

(h) Adopt a framework and general standards for the accreditation of preparation programs for teachers and other certificated educators pursuant to Article 7 (commencing with Section 44320).

(i) Appoint classroom teachers, school administrators, other school services personnel, representatives of the public, and public or private higher education representatives to one or more standing committees, which shall be given authority to recommend to the commission standards relating to examinations, performance assessments, program accreditation, and licensing. The commission shall establish criteria for membership on those committees, and shall determine the terms of committee members. Appointments to standing committees by the commission shall reflect, to the extent feasible, the ethnic and cultural diversity of the California public schools.

(j) Consult with classroom teachers, faculty members from institutions of higher education that maintain accredited programs of professional preparation for teachers, administrators or other school services personnel, and other experts to aid in the development of examinations and assessments, and to study the impact of examinations and assessments on the teaching profession. To increase the fairness of its certification decisions, the commission may uniformly consider the results of tests, subtests, and assessments in conjunction with each other, and in conjunction with other pertinent information about the qualifications of each candidate. The commission may award credentials on the basis of average overall performances by candidates on several criteria of professional competence, provided that each candidate meets minimum standards set by the commission on each criterion.

(k) Adopt standards for all examinations and assessments which shall ensure that all prospective teachers demonstrate an understanding of the history and cultures of the major ethnic populations of this state and of teaching strategies for the acquisition of English language skills by non-English-speaking pupils.

(*l*) Determine the terms of credentials, certificates, and permits, except that no credential, certificate, or permit shall be valid for more than five years from the date of issuance. This article shall govern the issuance of any credential, certificate or permit, except as follows:

(1) A credential, certificate, or permit shall remain in force as long as it is valid and continues to be valid under the laws and regulations that were in effect when it was issued.

(2) The commission shall grant teaching credentials pursuant to statutes that were in effect on December 31, 1988, to candidates who,

prior to the effective date of regulations to implement subdivision (a), are in the process of meeting the requirements for teaching credentials that were in effect on December 31, 1988, except that neither enrollment as an undergraduate student nor receipt of a baccalaureate degree from a regionally accredited institution prior to the effective date of the regulations shall, by themselves, exempt a candidate from the requirements of subdivision (a). Enrollment in a preparation program for teachers prior to the effective date of the regulations shall not exempt a candidate from the requirements of paragraph (2) of subdivision (a), if the candidate's preliminary credential was granted after the effective date of the regulations.

(m) Review requests from school districts, private schools, postsecondary institutions, and individual applicants for the waiver of one or more of the provision of this chapter. The commission may grant a waiver upon its finding that professional preparation equivalent to that prescribed under the provision or provisions to be waived will be completed by the credential candidate or candidates affected. No provision in this chapter may be waived under Sections 33050 and 33051, after June 30, 1994, by the State Board of Education

(n) It is the intent of the Legislature that the commission develop models for voluntary use by California colleges and universities which do not have these models in place, to assist in the screening of applications for admission to teacher education programs. The models shall give emphasis to the following qualifications of the applicants: academic talent, knowledge of subjects to be taught, basic academic skills, creativity, experience in working with children and adolescents, ability to motivate and inspire pupils, and willingness to relate education to pupils with a wide variety of cultural, ethnic, and academic backgrounds. The commission may continue to administer the state basic skills proficiency test, in order (1) to utilize the results of this test in awarding preliminary teaching credentials and emergency permits, and (2) to enable colleges and universities to utilize this test in conjunction with other appropriate sources of information in teacher preparation admission decisions. However, it is the intent of the Legislature that applicants for admission to teacher preparation programs may not be denied admission solely on the basis of state basic skills proficiency test results. The commission may recover the costs of administering and developing the test by charging examinees a fee for taking the test.

(o) It is the intent of the Legislature that the commission encourage colleges and universities to design and implement, by August 1, 1990, concentrated internship programs for persons who have attained a bachelor's degree in the field in which they intend to teach. Those programs would be targeted at subject area shortages, would substitute for conventional training programs, and would include a full summer session of college level coursework, a one-year internship, or the equivalent, a seminar throughout the internship, and a summer session following the internship. Educator preparation through internship programs shall be subject to Article

10 (commencing with Section 44370).

(p) Grant a field placement certificate to any candidate who has been admitted to an accredited program of professional preparation, and who must complete a supervised practicum in public elementary or secondary schools as a condition for completion of the program. The commission shall establish standards for the issuance of field placement certificates.

(q) Propose appropriate rules and regulations to implement the act which enacts this section.

(r) Adopt subject matter assessments for teaching credentials after developing those assessments jointly with the Superintendent of Public Instruction.

SEC. 2. Section 44255.5 is added to the Education Code, to read:

44255.5. Notwithstanding Section 44256, until the Commission on Teacher Credentialing completes a study of teacher assignments in kindergarten and grades 1 to 6, inclusive, and modifications are made to the statutes as a result of the study, the holder of a multiple subject teaching credential, or a standard elementary credential, who is employed by the San Diego City Unified School District may be assigned with his or her consent to teach any subject in grades 1 to 6, inclusive, in a departmentalized setting.

SEC. 3. Due to the unique circumstances concerning teacher assignments in the San Diego City Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to require the Commission on Teacher Credentialing to exempt the holders of teaching credentials obtained prior to January 1, 1974, who add an authorization to teach by successfully completing a commission approved subject matter examination from specified statutory requirements at the earliest possible time, and in order to authorize the holders of multiple subject teaching credentials and standard elementary teaching credentials to be assigned, with their consent, to teach any subject in kindergarten and grades 1 to 6, inclusive, in a departmental setting, in the San Diego City Unified School District during the 1989–90 school year, it is necessary that this act take effect immediately.

CHAPTER 376

An act to add Section 17980.8 to the Health and Safety Code, relating to building safety.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17980.8 is added to the Health and Safety Code, to read:

17980.8. Notwithstanding any other provision of law, if a determination that an unsafe or substandard condition exists in any building, or upon the lot upon which it is situated, has been made in an administrative proceeding conducted under this part, including any code incorporated by Section 17922, the enforcement agency may abate the nuisance as provided in this part or exercise any other authority conferred upon it by this part, subject only to the exclusive remedy of the owner to challenge the administrative determination pursuant to Section 1094.5 of the Code of Civil Procedure. The court may exercise its independent judgment on the evidence to determine whether the findings are supported by the weight of the evidence. This section shall apply only to administrative proceedings commenced on or after January 1, 1990.

CHAPTER 377

An act to amend Section 7 of the San Joaquin County Flood Control and Water Conservation Act (Chapter 46 of the Statutes of 1956, First Extraordinary Session), and to amend Section 36.5 of, and to add Sections 3.5 and 5.1 to, the San Luis Obispo County Flood Control and Water Conservation District Act (Chapter 1294 of the Statutes of 1945), relating to flood control and water conservation districts.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7 of the San Joaquin County Flood Control and Water Conservation District Act (Chapter 46 of the Statutes of 1956, First Extraordinary Session) is amended to read:

Sec. 7. The board shall establish, by ordinance, a commission. The board may delegate any or all of its powers to the commission. The board may, by resolution, provide for compensation for services and payment of the actual necessary expenses incurred by members of the commission in the performance of official duties under this act,

payable from the funds of the district. Members of the commission shall serve at the pleasure of the board.

When the board of supervisors has delegated any or all of its powers to the commission, the terms "board" and "board of supervisors" mean the commission. The commission may, by resolution, certified to by the chairperson of the commission, take action with reference to any and all matters which have been delegated to it by the Board of Supervisors of the County of San Joaquin.

SEC. 2. Section 3.5 is added to the San Luis Obispo County Flood Control and Water Conservation District Act (Chapter 1294 of the Statutes of 1945), to read:

Sec. 3.5. (a) The board of supervisors may in any year levy benefit assessments on a districtwide basis or within a zone or participating zone. The benefit assessment may be levied in any manner which reasonably reflects the benefit that will accrue to the area being assessed for the purpose of the assessment, including, but not limited to: (1) a per acre or fraction thereof basis, or (2) for benefit assessments related to drain, storm, flood control, or water conservation purposes, upon all taxable property in each or any of the zones, according to the benefits derived or to be derived by the respective zones, to pay the cost and expenses of carrying out any of the objects or purposes of this act of special benefit to the respective zones, including the constructing, maintaining, operating, extending, repairing, or otherwise improving any or all works or improvements within the respective zones. Except as provided in subdivisions (b) and (c), in the case of any benefit assessment under this act, the benefit may be determined on the basis of the proportionate storm water runoff from each parcel. It is declared that all property within a given zone that is located within a watershed or watersheds which are tributary to an existing or proposed flood control or water conservation improvement is equally benefited.

(b) Whenever a railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way is included within an area proposed to be assessed, the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the assessment only if, and to the extent that, it is found that it will benefit from the service, and the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the same penalties, and the same procedure and sale, in the event of delinquencies, as other parcels in the assessment area. In determining whether or not the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way benefits from the services provided, its use as a right-of-way for a railroad, gas, water, telephone, cable television, electric, or other utility shall be presumed to be permanent.

(c) (1) Proportionate storm water runoff may be used as a measure of benefit on an undeveloped parcel of land pursuant to the section only if, and to the extent that, it is found that it will benefit from the service.

(2) For the purposes of this section, "undeveloped parcel of land" means a parcel of rural land in its undeveloped natural state, although the land may be grazed, if otherwise undisturbed, in a manner consistent with the normally accepted grazing land management practices for the geographic area. "Undeveloped parcel of land" also includes wetlands and marshlands if undisturbed and subject to periodic inundation. For purposes of this section, "rural land" is land which is outside of an urbanized area as designated by the most recent federal decennial census of the United States Bureau of the Census.

(d) Benefit assessments may be levied for expenditures made, or expenditures estimated to be required during the next calendar or fiscal year, for any lawful purpose of the district. The revenues derived from the benefit assessment shall be used for no purpose other than the purpose specified at the time of levy of the assessment.

(e) The board may impose a benefit assessment on a districtwide basis or within a zone or participating zone pursuant to this section to finance the maintenance and operation costs of the following services:

(1) Drainage.

(2) Flood control.

(3) Water conservation.

(f) The district may, in addition to imposing a benefit assessment for the purposes authorized pursuant to subdivision (e), impose that assessment on a districtwide basis or within a zone or participating zone to finance the cost of installation and improvement of facilities.

(g) The board may adopt a resolution of intention to levy a special benefit assessment on land only. The resolution shall set forth the proposed amount, manner of levy, and purpose of the proposed benefit assessment and designate by a map or otherwise the boundaries of the area proposed for assessment, and shall designate a time and place of hearing on the resolution.

(h) Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the district pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

(i) At the time and place so fixed, or at any time or place to which the hearing is continued, the board shall hold the hearing provided for by the resolution, at which time any interested person may appear and be heard concerning any matter set forth in the resolution or any matters material thereto. Upon the conclusion of the hearing, the board may terminate further proceedings on the proposed assessment, order an election on the assessment within the

area to be assessed, or levy the assessment, unless prior to the conclusion of the hearing, or any continued hearing, written protests against the proposed assessment signed by 25 percent of the eligible voters within the area to be assessed are filed with the board, in which event further proceedings relating to the proposed assessment shall be suspended for not less than one year following the date of the conclusion of the hearing. The board of directors shall not levy the assessment without an election unless a majority in number of the eligible voters within the affected area have filed with the board written consent to levy the assessment. If an election is held, a majority of the votes cast in the area to be assessed shall be required to approve the assessment.

(j) After its approval, the benefit assessment shall be levied, collected, and enforced at the same time and in the same manner as county taxes.

SEC. 3. Section 5.1 is added to the San Luis Obispo County Flood Control and Water Conservation District Act (Chapter 1294 of the Statutes of 1945), to read:

Sec. 5.1. (a) In addition to the powers specified in Section 5, the district may borrow money to finance any flood control or conservation project of any zone of the district. The loan shall be repaid in installments over a period not to exceed 15 years. The loans shall constitute a charge against the funds of the zone in which the improvements occur. Pursuant to this section, the board of supervisors may borrow money from the United States, or any agency or department thereof, or from the State of California, or any agency thereof, or from any bank or banking institution authorized to transact business within the state, or from any private corporation organized under the laws of this state and authorized by its articles of incorporation to lend money to public agencies for construction of public works. The power to borrow money authorized by this section shall be exercised only when both of the following has occurred:

(1) The board of supervisors has declared the existence of an emergency and ordered the holding of a special election not less than 30 days from the date of the resolution declaring the existence of the emergency, or the board of supervisors has formed a special zone pursuant to Section 2.5 and ordered the holding of a special election not less than 30 days from the date of the resolution forming the special zone.

(2) The proposition authorizing the borrowing of money has been ratified and authorized by two-thirds of the votes cast at the special election called for that purpose. A special election may be consolidated with a primary election or general election.

(b) Interest on any loan authorized by this section shall not exceed the maximum rate authorized by Section 53531 of the Government Code. A loan pursuant to this act shall be evidenced by a written contract signed by the chairperson of the board specifying the particular flood control work or projects for which the money

shall be expended. If a surplus remains after completion of the work, that surplus shall be applied to the payment of the principal and interest due upon the loan. The board of supervisors shall annually levy a tax upon the taxable property of the zone or zones within which the work is performed, sufficient to pay the installments and interest on the loan as it becomes due and payable in accordance with the terms of the contract. However, the tax levy for the repayment of the principal and interest on any loan shall not, together with all other charges and obligations for construction, maintenance, operation, and improvements within the zone, exceed the limitations fixed by Section 13.

(c) All tax liens of taxes imposed pursuant to this section shall be levied, collected, and enforced at the same time and in the same manner as county taxes.

SEC. 4. Section 36.5 of the San Luis Obispo County Flood Control and Water Conservation District Act (Chapter 1294 of the Statutes of 1945) is amended to read:

Sec. 36.5. (a) The acts or any of them may be used in the discretion of the board in the construction of any work to be done or improvements made under this act and in the levying of assessments and reassessments and the issuing of bonds to pay for costs and expenses of the work and improvements done or to be done under this act.

(b) The assessments or reassessments may be levied in any manner which reasonably reflects the benefit that will accrue to the area being assessed for the purpose of the assessment or reassessment, including, but not limited to: (1) a per acre or fraction thereof basis, or (2) for assessments or reassessments related to drain, storm, flood control, or water conservation purposes, upon all taxable property in each or any of the zones, according to the benefits derived or to be derived by the respective zones to pay the cost and expenses of carrying out any of the objects or purposes of this act of special benefit to the respective zones, including the constructing, extending, repairing, or otherwise improving any or all works or improvements within the respective zones. Except as provided in subdivision (c), in the case of any assessment or reassessment under this act, the benefit may be determined on the basis of the proportionate storm water runoff from each parcel. It is declared that all property within a given zone that is located within a watershed or watersheds which are tributary to an existing or proposed flood control or water conservation improvement is equally benefited.

(c) Whenever a railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way is included within an area proposed to be assessed, the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the assessment only if, and to the extent that, it is found that it will benefit from the service, and the railroad, gas,

water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the same penalties, and the same procedure and sale, in the event of delinquencies, as other parcels in the assessment area. In determining whether or not the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way benefits from the services provided, its use as a right-of-way for a railroad, gas, water, telephone, cable television, electric, or other utility shall be presumed to be permanent.

(d) (1) Proportionate storm water runoff may be used as a measure of benefit on an undeveloped parcel of land pursuant to the section only if, and to the extent that, it is found that it will benefit from the service.

(2) For the purposes of this section, "undeveloped parcel of land" means a parcel of rural land in its undeveloped natural state, although the land may be grazed, if otherwise undisturbed, in a manner consistent with the normally accepted grazing land management practices for the geographic area. "Undeveloped parcel of land" also includes wetlands and marshlands if undisturbed and subject to periodic inundation. For purposes of this section, "rural land" is land which is outside of an urbanized area as designated by the most recent federal decennial census of the United States Bureau of the Census.

CHAPTER 378

An act to amend Section 6723 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6723 of the Food and Agricultural Code is amended to read:

6723. (a) The minimum license fee shall be established by the director at an amount not to exceed one hundred dollars ($100).

(b) The director may fix the minimum license fee at an amount which is less than one hundred dollars ($100) and may adjust the license fee if, after investigation and due notice, the director finds that the cost of administering this division and Chapter 5 (commencing with Section 53301) of Division 18, which relate to nursery stock, can be defrayed from revenues which are derived from the license fee in combination with such sums as are provided by Sections 435 and 5822.

(c) Both of the following amounts shall be added as an additional license fee to the license fee established pursuant to subdivisions (a)

and (b).

(1) An equal sum for each branch salesyard, store, or sales location which is owned and operated by the applicant in the state.

An acreage fee in an amount to be established by the director for land used in the production, storage, or sale of nursery stock in excess of one acre, which the director determines is necessary to carry out this part and any portion of this code which relates to nursery stock. The total acreage fee shall not be less than twenty-five dollars ($25) nor more than five hundred dollars ($500) for each licensee. The acreage fee shall be calculated using as a basis the total of the acreage at all locations where nursery stock is produced, stored, or sold.

(d) As to all the fees, the director may require payment of prorated amounts when necessary in the issuance of new licenses for branch salesyards, stores, or sales locations to persons already licensed pursuant to the licensing periods established in Section 6724.

CHAPTER 379

An act to amend Section 190.9 of the Penal Code, relating to criminal procedure.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 190.9 of the Penal Code, as amended by Chapter 468 of the Statutes of 1987, is amended to read:

190.9. (a) In any case in which a death sentence may be imposed, all proceedings conducted in the justice, municipal, and superior courts, including proceedings in chambers, shall be conducted on the record with a court reporter present. The court reporter shall prepare and certify a daily transcript of these proceedings.

The court shall assign a court reporter who uses computer-aided transcription equipment to report all proceedings under this section. Failure to comply with the requirements of this section relating to the assignment of court reporters who use computer-aided transcription equipment shall not be a ground for reversal.

(b) The court may waive the requirement that a court reporter use computer-aided transcription equipment if the court finds on the record that no reporter using computer-aided transcription equipment is available.

(c) This section shall remain in effect only until July 1, 1990, and as of that date is repealed.

SEC. 2. Section 190.9 of the Penal Code is amended to read:

190.9. (a) In any case in which a death sentence may be imposed, all proceedings conducted in the justice, municipal, and superior courts, including proceedings in chambers, shall be conducted on the

record with a court reporter present. The court reporter shall prepare and certify a daily transcript of these proceedings.

The court shall assign a court reporter who uses computer-aided transcription equipment to report all proceedings under this section. Failure to comply with the requirements of this section relating to the assignment of court reporters who use computer-aided transcription equipment shall not be a ground for reversal.

(b) This section shall become operative on July 1, 1990.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 380

An act to amend Section 4125 of, and to add Section 4136 to, the Public Resources Code, relating to real property.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 4125 of the Public Resources Code is amended to read:

4125. (a) The board shall classify all lands within the state, without regard to any classification of lands made by or for any federal agency or purpose, for the purpose of determining areas in which the financial responsibility of preventing and suppressing fires is primarily the responsibility of the state. The prevention and suppression of fires in all areas which are not so classified is primarily the responsibility of local or federal agencies, as the case may be.

(b) On or before July 1, 1991, and every 5th year thereafter, the department shall provide copies of maps identifying the boundaries of lands classified as state responsibility pursuant to subdivision (a) to the county assessor for every county containing any such lands. The department shall also notify county assessors of any changes to state responsibility areas within the county resulting from periodic boundary modifications approved by the board.

SEC. 2. Section 4136 is added to the Public Resources Code, to

read:

4136. (a) A seller of real property which is located within a state responsibility area determined by the board, pursuant to Section 4125, shall disclose to any prospective purchaser the fact that the property is located within a wildland area which may contain substantial forest fire risks and hazards and is subject to the requirements of Section 4291.

(b) Except for property located within a county which has assumed responsibility for prevention and suppression of all fires pursuant to Section 4129, the seller shall also disclose to any prospective buyer that it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the department has entered into a cooperative agreement with a local agency for such purposes pursuant to Section 4142.

(c) Disclosures required pursuant to this section may be set forth in, and made on a copy of, the disclosure form required by Section 1102.6 or 1102.6a of the Civil Code.

(d) This section shall become operative on July 1, 1991.

SEC. 3. Section 4136 is added to the Public Resources Code, to read:

4136. (a) A seller of real property which is located within a state responsibility area determined by the board, pursuant to Section 4125, shall disclose to any prospective purchaser the fact that the property is located within a wildland area which may contain substantial forest fire risks and hazards and is subject to the requirements of Section 4291.

(b) Except for property located within a county which has assumed responsibility for prevention and suppression of all fires pursuant to Section 4129, the seller shall also disclose to any prospective buyer that it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the department has entered into a cooperative agreement with a local agency for such purposes pursuant to Section 4142.

(c) Disclosures required pursuant to this section may be set forth in, and made on a copy of, the disclosure form required by Section 1102.6 of the Civil Code

(d) This section shall become operative on July 1, 1991.

SEC. 4. Section 2 of this bill shall only become operative if Assembly Bill 584 is enacted to add Section 1102.6a to the Civil Code and becomes effective on January 1, 1990, in which case Section 3 of this bill shall not become operative.

CHAPTER 381

An act to amend Section 739 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 739 of the Public Utilities Code is amended to read:

739. (a) The commission shall designate a baseline quantity of gas and electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. In estimating those quantities, the commission shall take into account differentials in energy needs between customers whose residential energy needs are currently supplied by electricity alone or by both electricity and gas. The commission shall develop a separate baseline quantity for all-electric residential customers. For these purposes, "all-electric residential customers" are residential customers having electrical service only or whose space heating is provided by electricity, or both. The commission shall also take into account differentials in energy use by climatic zone and season.

(b) (1) The commission shall establish a standard limited allowance which shall be in addition to the baseline quantity of gas and electricity for residential customers dependent on life-support equipment, including, but not limited to, emphysema and pulmonary patients. A residential customer dependent on life-support equipment shall be given a higher energy allocation than the average residential customer.

(2) "Life-support equipment" means that equipment which utilizes mechanical or artificial means to sustain, restore, or supplant a vital function, or mechanical equipment which is relied upon for mobility both within and outside of buildings. "Life-support equipment," as used in this subdivision, includes all of the following: all types of respirators, iron lungs, hemodialysis machines, suction machines, electric nerve stimulators, pressure pads and pumps, aerosol tents, electrostatic and ultrasonic nebulizers, compressors, IPPB machines, and motorized wheelchairs.

(3) The limited additional allowance shall also be made available to paraplegic and quadriplegic persons in consideration of the increased heating and cooling needs of those persons.

(4) The limited additional allowance shall also be made available to multiple sclerosis patients in consideration of the increased heating and cooling needs of those persons.

(5) The limited additional allowance shall also be made available to scleroderma patients in consideration of the increased heating needs of those persons.

(c) (1) The commission shall require that every electrical and gas corporation file a schedule of rates and charges providing baseline rates. The baseline rates shall apply to the first or lowest block of an increasing block rate structure which shall be the baseline quantity and shall be established for the residential consumption of gas and electricity. In establishing these rates, the commission shall avoid excessive rate increases for residential customers, and shall establish an appropriate gradual differential between the rates for the respective blocks of usage.

(2) In establishing residential electric and gas rates, including baseline rates, the commission shall assure that the rates are sufficient to enable the electrical corporation or gas corporation to recover a just and reasonable amount of revenue from residential customers as a class, while observing the principle that electricity and gas services are necessities, for which a low affordable rate is desirable.

(d) As used in this section:

(1) "Baseline quantity" means a quantity of electricity or gas for residential customers to be established by the commission based on from 50 to 60 percent of average residential consumption of these commodities, except that, for residential gas customers and for all-electric residential customers, the baseline quantity shall be established at from 60 to 70 percent of average residential consumption during the winter heating season. In establishing the baseline quantities, the commission shall take into account climatic and seasonal variations in consumption and the availability of gas service. The commission shall review and revise baseline quantities as average consumption patterns change in order to maintain these ratios.

(2) "Residential customer" means those customers receiving electrical or gas service pursuant to a domestic rate schedule and excludes industrial, commercial, and every other category of customer.

(e) Wholesale electrical or gas purchases, and the rates charged therefor, are exempt from this section.

(f) Nothing contained in this section shall be construed to prohibit experimentation with alternative gas or electrical rate schedules for the purpose of achieving energy conservation.

(g) The commission shall establish a program of assistance to low-income electric and gas customers, the cost of which shall not be borne solely by any single class of customer.

CHAPTER 382

An act to amend Section 2453 of the Business and Professions Code, relating to healing arts.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2453 of the Business and Professions Code is amended to read:

2453. (a) It is the policy of this state that holders of M.D. degrees and D.O. degrees shall be accorded equal professional status and privileges as licensed physicians and surgeons.

(b) Notwithstanding any other provision of law, no health facility subject to licensure under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, no health care service plan, nonprofit hospital service plan, policy of disability insurance, self-insured employer welfare benefit plan, and no agency of the state or of any city, county, city and county, district, or other political subdivision of the state shall discriminate with respect to employment, staff privileges, or the provision of, or contracts for, professional services against a licensed physician and surgeon on the basis of whether the physician and surgeon holds an M.D. or D.O. degree. This section shall not be construed to require a disability insurer health care service plan or hospital service plan to employ, offer staff privileges, or contract for professional services with a class of physician who holds an M.D. or D.O. degree. However, this subdivision shall not prohibit a school of allopathic medicine or a school of osteopathic medicine from employing a physician and surgeon as an instructor on the basis of whether the physician and surgeon holds an M.D. or D.O. degree, where the subject matter to be taught specifically requires allopathic or osteopathic training and experience.

(c) Whenever the health facility staffing requirements for a service mandate that the physician responsible for the service be certified or eligible for certification by an appropriate American medical board, that position must be made available on an equal basis to an osteopathic physician who is certified or eligible for certification by the appropriate American osteopathic board which has training and education requirements comparable to the appropriate American medical board.

(d) Staff self-government, involving M.D. and D.O. physicians and surgeons, with respect to the professional work performed in the health facility, shall be accomplished by holding periodic meetings of the staff to review and analyze at regular intervals their clinical experience. Patient medical records shall be the basis for such review and analysis.

(e) The physician and surgeon staff shall be required to establish controls that are designed to ensure the achievement and maintenance of high standards of professional and ethical practices including a provision that all members of the physician and surgeon staff be required to demonstrate their ability to perform surgical and other procedures competently and to the satisfaction of an appropriate committee or committees of the staff at the time of original application for appointment to the staff and at least every two years thereafter.

(f) No health facility may adopt written bylaws in accordance with legal requirements that in any way are construed to circumvent the intent of the Legislature or any other nondiscriminatory provisions contained in either the Medical Practice Act or in any provisions applicable to osteopathic physicians.

(g) For the purposes of this section, no professional medical or osteopathic association may mandate membership in their respective organizations as a prerequisite for a physician to obtain staff privileges, employment, or in the offering of a contract for services.

(h) Any violation of subdivisions (b), (c), (d), (e), (f), and (g) may be enjoined in an action brought in the name of the people of the State of California by the district attorney of the county in which the violation occurs, upon receipt of a complaint by an aggrieved physician and surgeon.

CHAPTER 383

An act to add Sections 58714, 59619, 64073, and 64564 to the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 58714 is added to the Food and Agricultural Code, to read:

58714. The director may purchase general liability insurance for all marketing orders subject to the provisions of this chapter in an amount he or she determines as necessary. The cost of the insurance shall be paid by the affected marketing orders on a pro rata basis. The insurance policy shall name the director, in his or her official capacity, and all persons, collectively, that are subject to the marketing order as insured parties for claims made against the marketing order in its advisory capacity to the director or against the director regarding the activities of a marketing order. The director, after consultation with the Attorney General, may refer claims to the insurance carrier for appropriate action. In the alternative, the

director may require that claims be handled in the manner otherwise specified in this chapter.

SEC. 2. Section 59619 is added to the Food and Agricultural Code, to read:

59619. The director may purchase general liability insurance for all marketing programs subject to the provisions of this chapter in an amount he or she determines as necessary. The cost of the insurance shall be paid by the affected marketing programs on a pro rata basis. The insurance policy shall name the director, in his or her official capacity, and all persons, collectively, that are subject to the marketing program as insured parties for claims made against the marketing program in its advisory capacity to the director or against the director regarding the activities of the marketing program. The director, after consultation with the Attorney General, may refer claims to the insurance carrier for appropriate action. In the alternative, the director may require that claims be handled in the manner otherwise specified in this chapter.

SEC. 3. Section 64073 is added to the Food and Agricultural Code, to read:

64073. The director may purchase general liability insurance for the council in an amount he or she determines as necessary. The cost of the insurance shall be paid by the council. The insurance policy shall name the director, in his or her official capacity, and the council as insured parties for claims made against the council in its advisory capacity to the director or against the director regarding the activities of the council. The director, after consultation with the Attorney General, may refer claims to the insurance carrier for appropriate action. In the alternative, the director may require that claims be handled in the manner otherwise specified in this chapter.

SEC. 4. Section 64564 is added to the Food and Agricultural Code, to read:

64564. The director may purchase general liability insurance for the council subject to the provisions of this chapter in an amount he or she determines as necessary. The cost of the insurance shall be paid by the council. The insurance policy shall name the director, in his or her official capacity, and the council as insured parties for claims made against the council in its advisory capacity to the director or against the director regarding the activities of the council. The director, after consultation with the Attorney General, may refer claims to the insurance carrier for appropriate action. In the alternative, the director may require that claims be handled in the manner otherwise specified in this chapter.

CHAPTER 384

An act to add Section 69761.7 to the Education Code, relating to education.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Since the 1980's, California students have increasingly turned to loans as a way to help finance their education.

(2) Currently, California's net default rate at 14.8 percent ranks high compared to other states in the nation, exceeding default rates of approximately 12 percent for New York, Pennsylvania, Illinois, and New Jersey.

(3) By 1986–87, the cumulative volume of California's Guaranteed Student Loan (GSL) program exceeded four billion five hundred million dollars ($4,500,000,000) and the total volume of matured paper in the program exceeded two billion three hundred million dollars ($2,300,000,000).

(4) In the three-year period between 1983 and 1986, the volume of matured paper increased by 468 percent, from four hundred ninety-nine million dollars ($499,000,000) to two billion three hundred million dollars ($2,300,000,000).

(5) In addition to the loans entering repayment, California students still in school have borrowed nearly two billion dollars ($2,000,000,000) in outstanding loans they will eventually have to repay, and that amount increases at the rate of over six hundred million dollars ($600,000,000) each year.

(6) Because of the shrinking dollars available for federal and state financial aid grant programs, students' dependency on California's GSL program will continue to increase at dramatic rates.

(7) Currently, state and federal law does not require regular reporting practices for guaranteed student loans.

(b) It is the intent of the Legislature to do all of the following:

(1) Provide an incentive for borrowers to repay GSL loans.

(2) Reward responsible borrowers with positive credit ratings and the establishment of a credit base.

(3) To make known to GSL borrowers that failure to comply with terms and conditions of GSL loans will result in poor credit ratings

(4) To promote responsible and timely repayment of GSLs.

(5) To require credit agencies to fully comply with fair credit reporting practices.

(c) It is not the intent of the Legislature to create a barrier for students who are in default as a result of technical or administrative errors or who do not have adequate resources to repay their loans

immediately, but are attempting to make arrangements to retire their debt through a mutually agreed upon repayment plan.

SEC. 2. Section 69761.7 is added to the Education Code, to read:

69761.7. To promote responsible and timely repayment of Guaranteed Student Loans, the commission shall establish a process to ensure regular, annual credit reporting on the repayment status of borrowers whose loans are guaranteed by the commission and whose paper has matured.

CHAPTER 385

An act to amend Sections 44256 and 44258.7 of the Education Code, relating to teachers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 44256 of the Education Code is amended to read:

44256. Authorization for teaching credentials shall be of four basic kinds, as defined below:

(a) "Single subject instruction" means the practice of assignment of teachers and students to specified subject matter courses, as is commonly practiced in California high schools and most California junior high schools. The holder of a single subject teaching credential or a standard secondary credential or a special secondary teaching credential, as defined in this subdivision, who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 7 to 12, inclusive, other than the subject for which he or she is already certificated to teach, shall be eligible to have this subject appear on the credential as an authorization to teach this subject. The commission, by regulation, may require that evidence of additional competence is a condition for instruction in particular subjects, including, but not limited to, foreign languages. The commission may establish and implement alternative requirements for additional authorizations to the single subject credential on the basis of specialized needs. For purposes of this subdivision, a special secondary teaching credential means a special secondary teaching credential issued on the basis of at least a baccalaureate degree, a student teaching requirement, and 24 semester units of coursework in the subject specialty of the credential.

(b) "Multiple subject instruction" means the practice of assignment of teachers and students for multiple subject matter

instruction, as is commonly practiced in California elementary schools and as is commonly practiced in early childhood education.

The holder of a multiple subject teaching credential or a standard elementary credential who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 6, 7, 8, and 9 shall be eligible to have that subject appear on the credential as authorization to teach the subject in departmentalized classes in grades 6, 7, 8, and 9. The governing board of a school district by resolution may authorize the holder of a multiple subject teaching credential or a standard elementary credential to teach any subject in departmentalized classes to a given class or group of students below grade 9, provided that the teacher has completed at least 12 semester units, or six upper division or graduate units, of coursework at an accredited institution in each subject to be taught. The authorization shall be with the teacher's consent. However, the commission, by regulation, may provide that evidence of additional competence is necessary for instruction in particular subjects, including, but not limited to, foreign languages. The commission may establish and implement alternative requirements for additional authorizations to the multiple subject credential on the basis of specialized needs.

(c) "Specialist instruction" means any specialty requiring advanced preparation or special competence including, but not limited to, reading specialist, mathematics specialist, specialist in special education, or early childhood education, and such other specialties as the commission may determine.

(d) "Designated subjects" means the practice of assignment of teachers and students to designated technical, trade, or vocational courses which courses may be part of a program of trade, technical, or vocational education.

SEC. 2. Section 44258.7 of the Education Code is amended to read:

44258.7. (a) The holder of a standard secondary credential who, prior to September 1, 1989. has taught successfully in a subject within the department of his or her academic major or minor for a minimum of three years, as verified by the employing school district, may receive a supplementary authorization in that subject upon application, payment of a fee, which shall not exceed one-half of the regular credential fee, and evidence that one of the following has been accomplished:

(1) Successful completion, by September 1, 1989, of a minimum of 12 semester units, or six upper division or graduate units, of coursework at an accredited institution in the subject.

(2) The securing of a passing score on an examination in the subject approved by the Commission on Teacher Credentialing.

(3) Verification of competence in the subject matter by a subject area specialist not associated with the employing school district.

(b) A person who holds a teaching credential in a subject or

subjects other than physical education may be authorized by action of the local governing board to coach one period per day in a competitive sport for which students receive physical education credit, provided that he or she is a full-time employee of the school district and has completed a minimum of 20 hours of first aid instruction appropriate for the specific sport.

(c) A teacher employed on a full-time basis who has special skills and preparation outside of his or her credential authorization may, with his or her consent, be assigned to teach in the area of such special skills or preparation for up to 40 percent of a full-time teaching assignment, provided that the assignment is first approved by a committee on assignments. The membership of the committee on assignments shall include an equal number of teachers, selected by teachers, and school administrators, selected by school administrators.

(d) Assignments approved by the committee on assignments shall be for a maximum of one school year, but may be extended by action of the committee upon application by the schoolsite administrator and the affected teacher. All initial assignments and extensions shall be approved prior to the beginning of the semester in which the assignment is to take place. Districts making assignments under this subdivision shall submit a plan to the county superintendent of schools which shall include, but need not be limited to, the following:

(1) Statements signed by the district superintendent and the president or chairperson of the district governing board, approving the establishment of the committee.

(2) Procedures for selection of the committee membership.

(3) Terms of office for committee members.

(4) Criteria for determining teachers' qualifications for these assignments.

(e) The Commission on Teacher Credentialing may develop and recommend general criteria that may be used by local committees on assignment in assessing a candidate's qualifications.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the assignment of teachers in accordance with the requirements of Sections 44256 and 44258.7 of the Education Code at the earliest possible time so that the reporting and monitoring of those assignments pursuant to the requirements of Chapter 1376 of the Statutes of 1987 may proceed consistent with those changes, it is necessary that this act take effect immediately.

CHAPTER 386

An act to amend Section 444.41 of, and to add Section 444.42 to, the Health and Safety Code, relating to health facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 444.41 of the Health and Safety Code is amended to read:

444.41. (a) Protocols for the performance of mobile cardiac catheterization procedures on an outpatient basis shall be established by the office. The protocols shall include, but not be limited to, both of the following:

(1) Criteria for the selection of patients or exclusion of patients from the performance of mobile cardiac catheterization, equipment, and procedures necessary for the stabilization of patients in emergency situations prior to transfer.

(2) Criteria for patient transfer arrangements in emergency situations, which shall be in accordance with the standards established by the Emergency Medical Services Authority.

(b) Except as otherwise provided in this part, no health facility or clinic licensing or certification requirements shall be required for the performance of mobile cardiac catheterization. The office may consult with the state department as necessary. The office may contract for specialized medical consultation, or other personnel or other services as necessary for the effective implementation of this part.

(c) Regulations adopted by the office to implement this part shall be adopted as emergency regulations in accordance with Section 11346.1 of the Government Code, except that the regulations shall be exempt from the requirements of subdivisions (e), (f), and (g) of that section. The regulations shall be deemed to be an emergency for the purposes of Section 11346.1 of the Government Code and shall remain in effect until January 1, 1991, unless amended or repealed by the office.

SEC. 2. Section 444.42 is added to the Health and Safety Code, to read:

444.42. Notwithstanding any provision of law to the contrary, the office may approve the inpatient use of a freestanding cardiac catheterization laboratory by a general acute care hospital licensed to provide cardiac care services during that period of time when a fixed laboratory site of the hospital is not in use due to remodeling, replacement, or upgrading, if the following conditions are met:

(a) The general acute care hospital and the building where the freestanding cardiac catheterization laboratory is located are

physically connected by a tunnel or a protected walkway.

(b) The general acute care hospital and the freestanding cardiac catheterization laboratory demonstrate, to the satisfaction of the office, that patients can and will be safety moved between the hospital and the freestanding site.

(c) The general acute care hospital and the freestanding cardiac catheterization laboratory agree to any other reasonable conditions required by the Office of Statewide Health Planning and Development and the State Department of Health Services.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for regulations concerning the cardiac catheterization and mobile heart catheterization pilot project provided for under Part 1.87 (commencing with Section 444.30) of Division 1 of the Health and Safety Code to become effective at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 387

An act to amend Section 68081 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 68081 of the Food and Agricultural Code is amended to read:

68081. The powers and duties of the commission, subject to Sections 68052 and 68053, include, but are not limited to, all of the following:

(a) To adopt and, from time to time, alter, rescind, modify, and amend all proper and necessary bylaws, rules, regulations, and orders for carrying out the provisions of this chapter, including appeals from any bylaw, rule, regulation, or order of the commission in a manner established by the commission.

(b) To administer and enforce this chapter, and to do and perform all acts and exercise all powers incidental to, or in connection with or deemed reasonably necessary for, the proper or advisable effectuation of the purposes of this chapter.

(c) To appoint its own officers, including a chairman, one or more vice chairmen, and any other officers as it deems necessary. The officers have the powers and duties delegated to them by the commission.

(d) To employ a person to serve, at the pleasure of the

commission, as president and chief executive officer of the commission and other personnel, including legal counsel, as necessary to carry out the provisions of this chapter. The commission may retain a management firm or any staff from any board, commission, or committee of the state to perform the functions prescribed by this subdivision under the control of the commission. If the person engages in any conduct which the director determines is not in the public interest or which is in violation of this chapter, the director shall notify the commission of the conduct and request that corrective, and if appropriate, disciplinary action be taken by the commission. If the commission fails or refuses to correct the situation or to take disciplinary action satisfactory to the director, the director may suspend or discharge the person.

(e) To fix the compensation for all employees of the commission.

(f) To appoint committees composed of both members and nonmembers of the commission to advise the commission in carrying out the provisions of this chapter.

(g) To establish offices and incur expense, and to enter into any and all contracts and agreements, and to create any liabilities and borrow any funds in advance of receipt of assessments that may be necessary, in the opinion of the commission, for the proper administration and enforcement of this chapter and the performance of its duties.

(h) To keep accurate books, records, and accounts of all of its dealings, which books, records, and accounts shall be subject to an annual audit by an auditing firm selected by the commission with the concurrence of the director. The audit shall be made a part of an annual report to all producers and handlers of kiwifruit, copies of which shall also be submitted to the Legislature and the department. In addition, the director may, as he or she determines necessary, conduct, or cause to be conducted, a fiscal and compliance audit of the commission.

(i) To promote the sale of kiwifruit by advertising and other promotional means, including cost-sharing advertising, for the purpose of maintaining and expanding present markets and creating new and larger intrastate, interstate, and foreign markets for kiwifruit and to educate and instruct the public with respect to kiwifruit and the uses and time to use the several varieties and the healthful properties and nutritional value of kiwifruit.

(j) To educate and instruct the wholesale and retail trade with respect to proper methods of handling and selling kiwifruit; to arrange for the performance of dealer service work providing display and other promotional materials; to make market surveys and analyses; to present facts to, and negotiate with, state, federal, and foreign agencies on matters which affect the marketing of kiwifruit.

(k) To make, in the name of the commission, contracts to render service in formulating and conducting plans and programs, and any other contracts or agreements that the commission may deem necessary for the promotion of the sale of kiwifruit.

(*l*) To conduct and contract with others to conduct scientific research, including the study, analysis, dissemination, and accumulation of information obtained from such research or elsewhere respecting cultural and production practices, marketing, and distribution of kiwifruit. In connection with the research, the commission may accept contributions of, or to match, private, state, or federal funds that may be available for those purposes, and to employ or make contributions of funds to other persons or state or federal agencies conducting the research.

(m) To collect, publish, and distribute, without charge, a bulletin or other communication for dissemination of information, including, but not limited to, crop statistics, relating to the kiwifruit industry to producers and handlers.

(n) To establish an assessment rate to defray operating costs of the commission.

(o) To establish an annual budget according to acceptable accounting practices. The budget shall be concurred in by the director prior to disbursement of funds, except for disbursements made pursuant to subdivision (e).

(p) To submit a statement of contemplated annual activities authorized under this chapter, including advertising, promotion, marketing research, and production research, which shall be concurred in by the director.

(q) To administer, if requested by an advisory board, a board of directors, or any other authorized agent of a governmental program, any governmental program establishing grades and standards for the kiwifruit industry.

(r) The commission may investigate and prosecute civil violations of this chapter and file complaints with appropriate law enforcement agencies or officers for suspected criminal violations of this chapter.

CHAPTER 388

An act to amend Sections 44244, 44252, and 44265.5 of, and to repeal and add Section 44265 of, the Education Code, and to amend Sections 23 and 291 of the Penal Code, relating to schools.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 44244 of the Education Code is amended to read:

44244. (a) At least 30 days prior to any Committee of Credentials meeting or hearing at which the application or credential of a certified employee is to be considered, the committee shall notify the certified employee of the specific allegations of misconduct for

which the application or credential may be denied, suspended, or revoked, or for which the employee may be privately admonished, in ordinary and concise language setting forth the acts or omissions charged and the statutes or rules violated. Supplemental allegations of misconduct shall be sent to the certified employee at least 30 days prior to the meeting or hearing. The portions of the investigation of the original or supplemental allegations which constitute the basis for the allegations shall be open to inspection and copying by the employee and his or her attorney. The statement of the allegations shall inform the employee that the allegations, if true, are sufficient to cause his or her application or credential to be denied, suspended, or revoked, or to cause him or her to be privately admonished.

(b) The investigation shall be commenced within 21 days after all allegations of misconduct have been filed with the committee and a meeting or hearing shall be scheduled no later than six months thereafter for the purpose of making a determination either that no adverse action shall be taken; that the allegations are sufficient to cause his or her application or credential to be denied, suspended, or revoked; or that the allegations are sufficient to cause him or her to be privately admonished. All testimony before the committee shall be verified under penalty of perjury by oath or affirmation. The chairperson of the committee may administer the oath or affirmation.

(c) Notwithstanding subdivision (b), the chairperson of the commission may grant the committee an extension of time, not exceeding six months, when the committee demonstrates that additional time is necessary to complete its investigation or determination, as described in subdivision (b)

(d) The recommended decision of the committee shall be in writing and a copy of the decision shall be delivered to the certified employee personally or sent to him or her by registered mail within 14 days after the meeting or hearing together with specific information relative to any administrative hearing to which the employee is entitled.

SEC. 2. Section 44252 of the Education Code is amended to read:

44252. (a) The commission shall establish standards and procedures for the initial issuance and renewal of credentials.

(b) Commencing on February 1, 1983, the Commission on Teacher Credentialing shall not issue initially any credential, permit, certificate, or renewal of an emergency credential to any person to serve in the public schools unless the person has demonstrated proficiency in basic reading, writing, and mathematics skills in the English language as provided in Section 44252.5. However, an emergency credential holder who has passed the basic skills proficiency test shall not be required to repeat the test in order to obtain a renewal of his or her emergency credential. The commission shall exempt from the basic skills proficiency test requirement any of the following persons:

(1) A person credentialed solely for the purpose of teaching adults

in an apprenticeship program.

(2) An applicant for an adult education designated subject credential for other than an academic subject.

(3) A person credentialed in another state who is an applicant for employment in a school district in this state who has passed a basic skills proficiency examination which has been developed and administered by the school district offering that person employment, or by cooperating school districts, or by the appropriate county office of education. School districts administering a basic skills proficiency examination under this paragraph shall comply with the requirements of subdivision (h) of Section 44830. Such an applicant shall be granted a nonrenewable credential, valid for not longer than one year, pending fulfillment of the basic skills proficiency requirement pursuant to Section 44252.5.

(4) An applicant for a child care center permit or a permit authorizing service in a development center for the handicapped, so long as the holder of the permit is not required to have a baccalaureate degree.

(5) The holder of a credential, permit, or certificate to teach, other than an emergency credential, who seeks an additional authorization to teach.

(6) An applicant for a credential to provide service in the health profession.

(c) By December 31, 1982, the Superintendent of Public Instruction shall adopt an appropriate state test to measure proficiency in these basic skills. In adopting the test, the superintendent shall seek assistance from the commission and an advisory board. A majority of the members of the advisory board shall be classroom teachers. The board shall also include representatives of local school boards, school administrators, parents, and postsecondary institutions.

The superintendent shall adopt any normed test that the superintendent determines will sufficiently test basic skills for purposes of this section.

The superintendent, in conjunction with the commission and approved teacher training institutions, shall take steps necessary to insure the effective implementation of this provision.

(d) Nothing in this section shall be construed as requiring the holders of, or applicants for, a designated subjects special subjects credential or vocational designated subject credential to pass the state basic skills proficiency test, unless the requirements for the specific credential required the possession of a baccalaureate degree. The governing board of each school district, or each governing board of a consortium of school districts, or each governing board involved in a joint powers agreement, which employs a holder of a designated subjects special subjects credential or vocational designated subject credential shall establish its own basic skills proficiency criteria for the holders of these credentials and shall arrange for those individuals to be assessed. The basic skills proficiency criteria

established by the governing board shall be at least equivalent to the test required by the district, or in the case of a consortium or a joint powers agreement, by any of the participating districts, for graduation from high school. The governing board or boards may charge a fee to individuals being tested to cover the costs of the test, including the costs of developing, administering, and grading the test.

(e) The commission shall compile data regarding the rate of passing the state basic skills proficiency test by persons who have been trained in various institutions of higher education. The data shall be available to members of the public, including to persons who intend to enroll in teacher education programs.

(f) Each applicant to an approved credential program, unless exempted by subdivision (b), shall take the state basic skills proficiency test in order to provide both the prospective applicant and the program with information regarding the applicant's proficiency level. Test results shall be forwarded to each California postsecondary institution to which the applicant has applied. The program shall use test results to ensure that upon admission, each applicant receives appropriate academic assistance necessary to pass the state basic skills proficiency test. Persons residing outside the state shall take the test no later than the second available administration following their enrollment in a credential program.

SEC. 3. Section 44265 of the Education Code is repealed.

SEC. 4. Section 44265 is added to the Education Code, to read:

44265. Credentials for teaching specialties, including, but not limited to, bilingual education, early childhood education, and special education, shall be based upon a baccalaureate degree from an accredited institution, completion of a program of professional preparation, and any other standards which the commission may establish.

In adopting the necessary rules and regulations establishing the requirements for the preparation of special education specialties, the commission shall ensure that teachers have sufficient knowledge of subject matter that is the core of the California public school curriculum and experience with nonspecial education pupils to the extent deemed appropriate by the commission.

All administrative regulations governing special education specialists credentials that were in effect on December 31, 1989, shall continue to be operative until the commission amends or repeals those regulations to implement the provisions of this section.

SEC. 5. Section 44265.5 of the Education Code is amended to read:

44265.5. (a) Pupils who are visually handicapped shall be taught by teachers whose professional preparation and credential authorization are specific to that handicapping condition.

(b) Pupils who are deaf or hard of hearing shall be taught by teachers whose professional preparation and credential authorization are specific to that handicapping condition.

(c) Pupils who are orthopedically handicapped shall be taught by teachers whose professional preparation and credential authorization are specific to that handicapping condition.

SEC. 6. Section 23 of the Penal Code is amended to read:

23. In any criminal proceeding against a person who has been issued a license to engage in a business or profession by a state agency pursuant to provisions of the Business and Professions Code or the Education Code, the state agency which issued the license may voluntarily appear to furnish pertinent information, make recommendations regarding specific conditions of probation, or provide any other assistance necessary to promote the interests of justice and protect the interests of the public, or may be ordered by the court to do so, if the crime charged is substantially related to the qualifications, functions, or duties of a licensee.

For purposes of this section, the term "license" shall include a permit or a certificate issued by a state agency.

For purposes of this section, the term "state agency" shall include any state board, commission, bureau, or division created pursuant to the provisions of the Business and Professions Code or the Education Code to license and regulate individuals who engage in certain businesses and professions.

SEC. 7. Section 291 of the Penal Code is amended to read:

291. Every sheriff or chief of police, upon the arrest for any of the offenses enumerated in Section 290 or in subdivision 1 of Section 261, or Section 44010 of the Education Code of any school employee, shall do either of the following:

(a) If the school employee is a teacher in any of the public schools of this state, he or she shall immediately notify by telephone the superintendent of schools of the school district employing the teacher and shall immediately give written notice of the arrest to the Commission for Teacher Preparation and Licensing and to the superintendent of schools in the county wherein the person is employed. Upon receipt of the notice, the county superintendent of schools shall immediately notify the governing board of the school district employing the person.

(b) If the school employee is a nonteacher in any of the public schools of this state, he or she shall immediately notify by telephone the superintendent of schools of the school district employing the nonteacher and shall immediately give written notice of the arrest to the governing board of the school district employing the person.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

CHAPTER 389

An act to amend Section 21115 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 21115 of the Vehicle Code is amended to read:

21115. If a local authority finds that a highway under its jurisdiction is located adjacent to, or provides access to, a golf course and between the golf course and the place where golf carts are parked or stored or is within or bounded by a real estate development offering golf facilities and is designed and constructed, so as to safely permit the use of regular vehicular traffic and also the driving of golf carts on the highway, the local authority may, by resolution or ordinance, designate the highway or portion of the highway for combined use and prescribe rules and regulations which shall have the force of law. No highway shall be so designated for a distance of more than one mile from the golf course if the highway is not located within a development or beyond the area of a development, provided, the finding of the local authority in this respect shall be conclusive. Upon the designation becoming effective it shall be lawful to drive golf carts upon the highway in accordance with the prescribed rules and regulations. The rules and regulations may establish crossing zones and speed limits and other operating standards but shall not require that the golf carts conform to any requirements of this code with respect to registration, licensing, or equipment, except that if operated during darkness the golf cart shall be subject to the provisions of Section 24001 5 regarding equipment.

The rules and regulations shall not be effective until appropriate signs giving notice thereof are posted along the highway affected.

A "real estate development offering golf facilities," for purposes of this section, means an area of single-family or multiple-family residences, the owners or occupants of which are eligible for membership in, or the use of, one or more golf courses within the development by virtue of their ownership or occupancy of a residential dwelling unit in the development.

CHAPTER 390

An act to amend Sections 852 and 853 of, and to add Section 856 to, the Public Utilities Code, relating to public utilities.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 852 of the Public Utilities Code is amended to read:

852. No public utility, and no subsidiary or affiliate of, or corporation holding a controlling interest in, a public utility, shall purchase or acquire, take or hold, any part of the capital stock of any other public utility, organized or existing under or by virtue of the laws of this state, without having been first authorized to do so by the commission; provided, however, that the commission may establish by order or rule categories of stock acquisitions which it determines will not be harmful to the public interest, and purchases within those categories are exempt from this section. Every assignment, transfer, contract, or agreement for assignment or transfer of any stock by or through any person or corporation to any corporation or otherwise in violation of any of the provisions of this article is void and of no effect, and no such transfer shall be made on the books of any public utility. Nothing in this section prevents the holding of stock previously lawfully acquired.

SEC. 2. Section 853 of the Public Utilities Code is amended to read:

853. (a) This article does not apply to any person or corporation which transacts no business subject to regulation under this part, except performing services or delivering commodities for or to public utilities or municipal corporations or other public agencies primarily for resale or use in serving the public or any portion thereof, but shall apply to any public utility, and any subsidiary or affiliate of, or corporation holding a controlling interest in, a public utility, if the commission finds, in a proceeding to which the public utility is or may become a party, that the application of this article is required by the public interest.

(b) The commission may from time to time by order or rule, and subject to those terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from this article if it finds that the application thereof with respect to the public utility or class of public utility is not necessary in the public interest. The commission may establish rules or impose requirements deemed necessary to protect the interest of the customers or subscribers of the public utility or class of public utility exempted under this subdivision. These rules or requirements may include, but are not limited to, notification of a proposed sale or transfer of assets or stock

and provision for refunds or credits to customers or subscribers.

SEC. 3. Section 856 is added to the Public Utilities Code, to read:

856. Every officer, agent, or employee of a public utility, or of a subsidiary or affiliate of, or a corporation holding a controlling interest in, a public utility, and every other person subject to the requirements of this article, who violates or fails to comply with, or procures, aids, or abets any violation of, this article is guilty of a misdemeanor.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 391

An act to amend Section 148.1 of the Welfare and Institutions Code, relating to salvageable personal property.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 148.1 of the Welfare and Institutions Code is amended to read:

148.1. None of the provisions of this chapter shall apply to the activities of any organization or association of persons or any person engaged by or under its authority, in soliciting donations of salvageable personal property solely from members of the organization or in selling salvageable personal property obtained from the organization's members by that soliciting, or the soliciting and sale of salvageable personal property by fraternal, social, political, or service organizations for occasional rummage sales or bazaars where the activity does not constitute a major part of the organization's activities and is not conducted as a permanent or continuous operation. Nor shall the provisions of this chapter apply to an association which is exempt under Section 23701d or 23701f of the Revenue and Taxation Code if the membership of the association is comprised of persons with physical, mental, or developmental disabilities and the primary purpose of the association is to provide services to persons with those disabilities.

CHAPTER 392

An act to amend Section 6901 of the Labor Code, relating to employment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6901 of the Labor Code is amended to read:

6901. (a) No common carrier operating more than four trains each way per day of 24 hours on any main track or branch line of railroad within this state, or on any part of a main track or branch line, shall run or permit to be run, on any part of a main track or branch line, any passenger, mail, or express train on which there is not employed at least one conductor, one brakeman, and the following:

(1) One engineer and one fireman for each diesel locomotive.

(2) One electric motorman for each train propelled or run by electricity.

(3) One motor or power control man for each train propelled by motive power other than diesel or electricity.

(4) Two brakemen, where four or more cars, exclusive of railroad officers' private cars, are hauled.

(5) One baggageman, except on a train upon which baggage is not hauled, and on gasoline motor cars.

(b) This section does not apply to any diesel locomotive weighing 45 tons or less.

(c) Paragraph (4) of subdivision (a) does not apply where its application would conflict with the terms of a collective bargaining agreement.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for timely implementation of labor agreements relating to common carrier railway crew size to increase efficiency in recognition of the needs of modern technology, it is necessary that this act take effect immediately.

CHAPTER 393

An act to amend Sections 5683 and 5686.5 of, and to add Section 5688.7 to, the Welfare and Institutions Code, relating to mental health.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) California's homeless population with mental disorders is in need of treatment and support services.

(b) A Rand Corporation study, entitled "Review of California's Program for the Homeless Mentally Disabled" (1988), found that current programs providing assistance need the clarification that mentally disordered persons who are also substance abusers can receive supportive services from the Community Support System for Homeless Mentally Disabled Persons.

(c) The Rand study also found that greater provision of money management services could help stabilize mentally disordered persons in the community.

SEC. 2. Section 5683 of the Welfare and Institutions Code is amended to read:

5683. The function of the community support system is to conduct active outreach to homeless mentally disabled persons, to secure and maintain income, housing, food, and clothing for clients, and to develop social skills and prevocational and vocational skills on a voluntary basis. Each community support system shall make available, as may be necessary to meet each client's needs, the following:

(a) Personal assistance in securing and maintaining housing, food, and clothing arrangements.

(b) Personal assistance in securing and maintaining income and health benefits.

(c) Money management assistance.

(d) Crisis intervention services, focusing on finding appropriate alternatives to acute inpatient hospital care.

(e) Social and vocational skill development activities, as determined by each client's needs, interests, and abilities.

(f) Service coordination including, but not limited to, treatment services.

No individual service offered may be contingent upon the acceptance of any other community support service or mental health treatment.

Each agency designated by a county to be a service provider under this chapter shall establish personnel hiring policies that it determines are necessary to ensure the hiring of staff with

demonstrated skills in various functions to be performed by the agency.

Each agency designated by a county to be a service agency under this chapter shall advise its clients about the range of services available through the community support system in that county.

SEC. 3. Section 5686.5 of the Welfare and Institutions Code is amended to read:

5686.5. In order to make the most efficient use of the public funds appropriated for this purpose, counties are encouraged to maximize the use of existing public and private community resources. If voluntarily requested by the client, the community support agency shall help the client learn to manage his or her own money. Any SSI/SSP money, or other personal funds, if managed by the program or by the local office of the public guardian, shall, at all times, be considered as the client's money. Nothing in this section, however, shall prevent a client from purchasing residential care with SSI/SSP funds.

SEC. 4. Section 5688.7 is added to the Welfare and Institutions Code, to read:

5688.7. Nothing in this chapter shall prohibit the provision of services to dual-diagnosed persons with a primary diagnosis of a serious mental disorder and a secondary diagnosis of substance abuse, developmental disability, or other physical or mental disorder. Counties may establish programs and services, within the scope of this chapter, specifically targeted to meet the needs of these dually diagnosed homeless persons. Counties wishing to establish these programs pursuant to this section shall first obtain a memorandum of understanding with the local alcohol and drug abuse programs, and the local mental health program, delineating the types of special treatment that will be provided to dually diagnosed homeless persons, and delineating the local institutional relationships between the programs.

SEC. 5. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 394

An act to amend Sections 241.2 and 243.2 of the Penal Code, relating to crimes.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 241.2 of the Penal Code is amended to read:

241.2. (a) When an assault is committed on school or park property against any person, the assault is punishable by a fine not exceeding two thousand dollars ($2,000), or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

(b) "School," as used in this section, means any elementary school, junior high school, four-year high school, senior high school, adult school or any branch thereof, opportunity school, continuation high school, regional occupational center, evening high school, technical school, or community college.

(c) "Park," as used in this section, means any publicly maintained or operated park. It does not include any facility when used for professional sports or commercial events.

SEC. 2. Section 243.2 of the Penal Code is amended to read:

243.2. (a) When a battery is committed on school or park property against any person, the battery is punishable by a fine not exceeding two thousand dollars ($2,000), or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

(b) "School," as used in this section, means any elementary school, junior high school, four-year high school, senior high school, adult school or any branch thereof, opportunity school, continuation high school, regional occupational center, evening high school, technical school, or community college.

(c) "Park," as used in this section, means any publicly maintained or operated park. It does not include any facility when used for professional sports or commercial events.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 395

An act to add Section 35912 to the Water Code, relating to water districts.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 35912 is added to the Water Code, to read:

35912. Notwithstanding any other provision of law, the Irvine Ranch Water District may invest or reinvest its capital facilities replacement funds in real estate and interests therein and improvements thereon, located within the County of Orange, as an investment for the production of income. The total aggregate amount of those investments shall not exceed 30 percent of the district's total capital facilities replacement funds.

SEC. 2. The Legislature hereby finds and declares the following:

(a) The Irvine Ranch Water District has funds for the replacement of capital facilities when those facilities reach the end of their useful lives. These funds are not required for the immediate necessities of the district and, subject to certain specified limitations, the investment and reinvestment of the funds in real estate would benefit the ratepayers of the district.

(b) The Legislature hereby finds and declares that a special law is necessary with respect to the Irvine Ranch Water District, that Section 1 of this act is needed to meet the special circumstances within the district, and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 396

An act to amend Section 15000 of the Health and Safety Code, relating to hospitals.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 15000 of the Health and Safety Code is amended to read:

15000. This chapter shall be known and may be cited as the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983.

CHAPTER 397

An act to amend Section 683 of the Civil Code, to amend Sections 952, 6661, 6804, 6805, and 6855 of, and to amend the heading of Article 6 (commencing with Section 6800) of Chapter 5 of Division 2 of, to add Section 14868 to, to repeal and add Sections 852, 6800, and 18318.5 to, and to repeal Sections 852.5, 853, 6801, 6802, 6803, 6853, 6854, and 14854.5 of, the Financial Code, and to amend Sections 20, 269, 5301, 5302, 5303, 5305, 5306, 5401, 5404, 5406, 5407, 6600, and 13050 of, to add Sections 5203, 5204, and 5307 to, to add an article heading immediately preceding Section 5100 of, to add Article 2 (commencing with Section 5120) to Chapter 1 of Part 1 of Division 5 of, and to repeal Section 5101 of, the Probate Code, relating to accounts.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 683 of the Civil Code is amended to read:

683. (a) A joint interest is one owned by two or more persons in equal shares, by a title created by a single will or transfer, when expressly declared in the will or transfer to be a joint tenancy, or by transfer from a sole owner to himself or herself and others, or from tenants in common or joint tenants to themselves or some of them, or to themselves or any of them and others, or from a husband and wife, when holding title as community property or otherwise to themselves or to themselves and others or to one of them and to another or others, when expressly declared in the transfer to be a joint tenancy, or when granted or devised to executors or trustees as joint tenants. A joint tenancy in personal property may be created by a written transfer, instrument, or agreement.

(b) Provisions of this section do not apply to a joint account in a financial institution if Part 1 (commencing with Section 5100) of Division 5 of the Probate Code applies to such account.

SEC. 2. Section 852 of the Financial Code is repealed.

SEC. 3. Section 852 is added to the Financial Code, to read:

852. A bank account that is a multiple-party account as defined in Section 5132 of the Probate Code is governed by Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

SEC. 4. Section 852.5 of the Financial Code is repealed.

SEC. 5. Section 853 of the Financial Code is repealed.

SEC. 5.5. Section 952 of the Financial Code is amended to read:

952. Notice to any bank of an adverse claim (the person making the adverse claim being hereinafter called "adverse claimant") to a deposit standing on its books to the credit of or to personal property held for the account of any person shall be disregarded, and the bank, notwithstanding the notice, shall honor the checks, notes, or othe-

instruments requiring payment of money by or for the account of the person to whose credit the account stands and on demand shall deliver that property to, or on the order of, the person for whose account the property is held, without any liability on the part of the bank; subject, however, to the exceptions provided in subdivisions (a) and (b):

(a) If an adverse claimant delivers to the bank at the office at which the deposit is carried or at which the property is held an affidavit of the adverse claimant stating that of the adverse claimant's own knowledge the person to whose credit the deposit stands or for whose account the property is held is a fiduciary for the adverse claimant and that the adverse claimant has reason to believe the fiduciary is about to misappropriate the deposit or the property, and stating the facts on which the claim of fiduciary relationship and the belief are founded, the bank shall refuse payment of the deposit and shall refuse to deliver the property for a period of not more than three court days (including the day of delivery) from the date that the bank received the adverse claimant's affidavit, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit.

(b) If at any time, either before, after, or in the absence of the filing of an affidavit by the adverse claimant, the adverse claimant procures and serves upon the bank at the office at which the deposit is carried or at which the property is held a restraining order, injunction, or other appropriate order against the bank from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose names the deposit stands or for whose account the property is held are parties, the bank shall comply with the order or injunction, without liability on its part.

(c) This section shall be applicable even though the name of the person appearing on the bank's books to whose credit the deposit stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent", "trustee", or other word or phrase indicating that the person may not be the owner in his or her own right of the deposit or property.

(d) Nothing in the California Multiple-Party Accounts Law contained in Part 1 (commencing with Section 5100) of Division 5 of the Probate Code limits the applicability of this section.

SEC. 6. Section 6661 of the Financial Code is amended to read:

6661. Notice to an association or federal association of an adverse claim to a savings account of, or to personal property held for the account of, any person shall be disregarded, and the association or federal association, notwithstanding the notice, shall honor withdrawal applications and shall pay withdrawals and interest to the person or persons to whose credit the account stands or shall deliver the property to or upon the order of the person for whose account the property is held, without any liability on the part of the association or federal association; subject, however, to the exceptions provided in subdivisions (a) and (b):

(a) If an adverse claimant delivers to the association or federal association at the office at which the account is carried or the property held an affidavit of the claimant stating that of the claimant's own knowledge the person to whose credit the deposit stands or for whose account the property is held is a fiduciary for the adverse claimant and that the claimant has reason to believe the fiduciary is about to misappropriate the account or the property, and stating the facts upon which the claim of fiduciary relationship and the belief are founded, the association or federal association shall refuse to pay withdrawals or interest on the account and shall refuse to deliver the property for a period of not more than three court days (including the day of delivery) from the date that the association or federal association received the adverse claimant's affidavit, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit.

(b) If at any time, either before, after, or in the absence of the filing of an affidavit by the adverse claimant, the adverse claimant procures and serves upon the association or federal association at the office at which the account is carried or the property held a restraining order, injunction, or other appropriate order against the association or federal association from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose names the account stands or for whose account the property is held are the parties, the association or federal association shall comply with the order or injunction, without liability on its part.

(c) The provisions of this section shall be applicable even though the name of the person appearing on the books to whose credit the account stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent," "trustee," or other word or phrase indicating that the person may hold the account or property in a fiduciary capacity.

(d) Nothing in the California Multiple-Party Accounts Law contained in Part 1 (commencing with Section 5100) of Division 5 of the Probate Code limits the applicability of this section.

SEC. 7. The article heading of Article 6 (commencing with Section 6800) of Chapter 5 of Division 2 of the Financial Code is amended to read:

Article 6. Multiple-Party Accounts

SEC. 8. Section 6800 of the Financial Code is repealed.

SEC. 9. Section 6800 is added to the Financial Code, to read:

6800. An account in an association or federal association that is a multiple-party account as defined in Section 5132 of the Probate Code is governed by Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

SEC. 10. Section 6801 of the Financial Code is repealed.

SEC. 11. Section 6802 of the Financial Code is repealed.

SEC. 12. Section 6803 of the Financial Code is repealed.

SEC. 13. Section 6804 of the Financial Code is amended to read:

6804. No association or federal association paying any survivor in accordance with Part 1 (commencing with Section 5100) of Division 5 of the Probate Code shall, because of the payment, be liable for any estate, inheritance, or succession taxes that may be due this state.

SEC. 13.5. Section 6805 of the Financial Code is amended to read:

6805. The pledge or hypothecation to any association or federal association of all or part of a multiple party account, as defined in Section 5132 of the Probate Code, signed by any one or more tenants, whether minor or adult, upon whose signature or signatures withdrawals may be made from the account shall, unless the terms of the account provide specifically to the contrary, be a valid pledge and transfer to the association or federal association of that part of the account pledged or hypothecated, and shall not operate to sever or terminate all or any part of the account.

SEC. 14. Section 6853 of the Financial Code is repealed.

SEC. 15. Section 6854 of the Financial Code is repealed.

SEC. 16. Section 6855 of the Financial Code is amended to read:

6855. No association paying any fiduciary, beneficiary, or designated person in accordance with this article or the California Multiple-Party Accounts Law contained in Part 1 (commencing with Section 5100) of Division 5 of the Probate Code shall, because of the payment, be liable for any estate, inheritance, or succession taxes that may be due this state.

SEC. 17. Section 14854.5 of the Financial Code is repealed.

SEC. 18. Section 14868 is added to the Financial Code, to read:

14868. (a) As used in this section:

(1) "Beneficiary" has the meaning given that term in Section 5126 of the Probate Code.

(2) "Totten trust account" has the meaning given that term in Section 80 of the Probate Code.

(b) In the case of a Totten trust account, the deposit agreement shall indicate the current address of each beneficiary.

SEC. 19. Section 18318.5 of the Financial Code is repealed.

SEC. 20. Section 18318.5 is added to the Financial Code, to read:

18318.5. An investment or thrift certificate that is a multiple-party account as defined in Section 5132 of the Probate Code is governed by Part 1 (commencing with Section 5100) of Division 5 of the Probate Code.

SEC. 21. Section 20 of the Probate Code is amended to read:

20. (a) Unless the provision or context otherwise requires and except as provided in subdivision (b), the definitions in this part govern the construction of this code.

(b) The definitions in this part do not apply to Division 4 (commencing with Section 1400).

SEC. 22. Section 269 of the Probate Code is amended to read:

269. "P.O.D. account" has the meaning given that term in Section 5140.

SEC. 23. An article heading is added immediately preceding

Section 5100 of the Probate Code, to read:

Article 1. Short Title

SEC. 24. Section 5101 of the Probate Code is repealed.

SEC. 25. Article 2 (commencing with Section 5120) is added to Chapter 1 of Part 1 of Division 5 of the Probate Code, to read:

Article 2. Definitions

5120. Unless the provision or context otherwise requires, the definitions in this article govern the construction of this part.

5122. (a) "Account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit, share account, and other like arrangement.

(b) "Account" does not include:

(1) An account established for deposit of funds of a partnership, joint venture, or other association for business purposes.

(2) An account controlled by one or more persons as the duly authorized agent or trustee for a corporation, unincorporated association, or charitable or civic organization.

(3) A regular fiduciary or trust account where the relationship is established other than by deposit agreement.

(4) An account established for the deposit of funds of the estate of a ward, conservatee, or decedent

5124. "Agent" means a person who has a present right, subject to request, to payment from an account as an attorney in fact under a power of attorney.

5126. "Beneficiary" means a person named in a Totten trust account as one for whom a party to the account is named as trustee.

5128. "Financial institution" includes:

(a) A financial institution as defined in Section 40.

(b) An industrial loan company as defined in Section 18003 of the Financial Code.

5130. "Joint account" means an account payable on request to one or more of two or more parties whether or not mention is made of any right of survivorship.

5132. A "multiple-party account" is any of the following types of account:

(a) A joint account.

(b) A P.O.D. account.

(c) A Totten trust account.

5134. (a) "Net contribution" of a party to an account as of any given time is the sum of all of the following:

(1) All deposits thereto made by or for the party, less all withdrawals made by or for the party that have not been paid to or applied to the use of any other party.

(2) A pro rata share of any interest or dividends earned, whether

or not included in the current balance.

(3) Any proceeds of deposit life insurance added to the account by reason of the death of the party whose net contribution is in question.

(b) In the absence of proof otherwise:

(1) Only parties who have a present right of withdrawal shall be considered as having a net contribution.

(2) The net contribution of each of the parties having a present right of withdrawal is deemed to be an equal amount.

(c) The purpose of this section is to provide a definition for the purpose of determining ownership interests in an account as between the parties to an account, and not as between the parties and the financial institution.

5136. (a) "Party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent.

(b) A P.O.D. payee is a party, by reason of being a P.O.D. payee, only after the account becomes payable to the payee by reason of surviving all persons named as original payees.

(c) A beneficiary of a Totten trust account is a party, by reason of being a beneficiary, only after the account becomes payable to the beneficiary by reason of surviving all persons named as trustees.

5138. "Payment" of sums on deposit includes all of the following:

(a) A withdrawal, including payment on check or other directive of a party.

(b) A pledge of sums on deposit.

(c) A set-off, reduction, or other disposition of all or part of an account pursuant to a pledge.

5139. "P.O.D." means pay on death.

5140. "P.O.D. account" means any of the following:

(a) An account payable on request to one person during the person's lifetime and on the person's death to one or more P.O.D. payees.

(b) An account payable on request to one or more persons during their lifetimes and on the death of all of them to one or more P.O.D. payees.

5142. "P.O.D. payee" means a person designated on a P.O.D. account as one to whom the account is payable on request after the death of one or more persons.

5144. "Proof of death" includes any of the following:

(a) An original or attested or certified copy of a death certificate.

(b) A record or report that is prima facie evidence of death under Section 10577 of the Health and Safety Code, Sections 1530 to 1532, inclusive, of the Evidence Code, or another statute of this state.

5146. Except to the extent the terms of the account or deposit agreement expressly provide otherwise, a financial institution "receives" an order or notice under this part when it is received by the particular office or branch office of the financial institution where the account is carried.

5148. "Request" means a proper request for withdrawal, including a check or order for payment, that complies with all conditions of the account (including special requirements concerning necessary signatures) and regulations of the financial institution; but, if the financial institution conditions withdrawal or payment on advance notice, for purposes of this part the request for withdrawal or payment is treated as immediately effective and a notice of intent to withdraw is treated as a request for withdrawal.

5150. "Sums on deposit" means both of the following:

(a) The balance payable on an account, including interest and dividends earned, whether or not included in the current balance.

(b) Any life insurance proceeds added to the account by reason of the death of a party

5152. "Withdrawal" includes payment to a third person pursuant to a check or other directive of a party or an agent.

SEC. 26. Section 5203 is added to the Probate Code, to read:

5203. (a) Words in substantially the following form in a signature card, passbook, contract, or instrument evidencing an account, or words to the same effect, executed before, on, or after July 1, 1990, create the following accounts:

(1) Joint account: "This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s)."

(2) P.O.D. account with single party: "This account or certificate is owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s)."

(3) P.O.D. account with multiple parties: "This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s)."

(4) Joint account of husband and wife with right of survivorship: "This account or certificate is owned by the named parties, who are husband and wife, and is presumed to be their community property. Upon the death of either of them, ownership passes to the survivor."

(5) Community property account of husband and wife: "This account or certificate is the community property of the named parties who are husband and wife. The ownership during lifetime and after the death of a spouse is determined by the law applicable to community property generally and may be affected by a will."

(6) Tenancy in common account: "This account or certificate is owned by the named parties as tenants in common. Upon the death of any party, the ownership interest of that party passes to the named pay-on-death payee(s) of that party or, if none, to the estate of that party."

(b) Use of the form language provided in this section is not necessary to create an account that is governed by this part. If the contract of deposit creates substantially the same relationship between the parties as an account created using the form language provided in this section, this part applies to the same extent as if the

form language had been used.

SEC. 27. Section 5204 is added to the Probate Code, to read:

5204. (a) In addition to a power of attorney otherwise authorized by law, a special power of attorney is authorized under this section to apply to one or more accounts at a financial institution. For the purposes of this section, "account" includes checking accounts, savings accounts, certificates of deposit, savings certificates, and any other depository relationship with the financial institution.

(b) The special power of attorney under this section shall comply with each of the following:

(1) Be in writing.

(2) Be signed by the person or persons giving the power of attorney.

(3) Explicitly identify the attorney in fact or attorneys in fact, the financial institution, and the account or accounts subject to the power.

(c) Language in substantially the following form is sufficient to create a power of attorney under this section: "Transactions regarding this account or certificate of deposit may be made by the named agent(s). This agency is governed by Section 5204 of the California Probate Code. Under Section 5204, (1) the agent has no present or future ownership or right of survivorship in this account, (2) the agent must keep a record of the transactions and disbursements made under the agency, and (3) the agent may make disbursements from this account only to or for the benefit of the account owner unless the account owner has authorized the disbursement in writing."

(d) The power of attorney granted under this section shall endure as between the grantor and grantee of the power until the earliest to happen of the following:

(1) Revocation by the grantor of the power.

(2) Termination of the account.

(3) Death of the grantor of the power.

(4) Appointment of a guardian or conservator of the estate of the grantor of the power.

(e) A financial institution may rely in good faith upon the validity of the power of attorney granted under this section and is not liable to the principal or any other person for doing so if (1) the power of attorney is on file with the financial institution and the transaction is made by the attorney in fact named in the power of attorney, (2) the power of attorney appears on its face to be valid, and (3) the financial institution has convincing evidence of the identity of the person signing the power of attorney as principal.

(f) For the purposes of subdivision (e), "convincing evidence" means and requires both of the following:

(1) Reasonable reliance on a document that would satisfy the requirement of Section 2511 of the Civil Code.

(2) The absence of any information, evidence, or other

circumstances that would lead a reasonable person to believe that the person signing the power of attorney as principal is not the individual he or she claims to be.

(g) The protection provided by subdivision (e) does not extend to payments made after written notice is received by the financial institution as to any of the events of termination of the power under subdivision (d) if the financial institution has had a reasonable time to act on the notice. No other notice or any other information shown to have been available to the financial institution shall affect its right to the protection provided by this subdivision.

(h) The attorney in fact acting under the power of attorney granted under this section shall maintain any books or records that will permit an accounting of the acts of the attorney in fact if an accounting is requested by a legal representative of the grantor of the power.

(i) The attorney in fact acting under a power of attorney granted under this section is liable for any disbursement other than a disbursement to or for the benefit of the grantor of the power, unless the grantor has authorized the disbursement in writing.

(j) Nothing in this section limits the use or effect of any other form of power of attorney for transactions with a financial institution. Nothing in this section creates any implication that a financial institution is liable for acting in reliance upon a power of attorney under circumstances where the requirements of subdivision (e) are not satisfied. Nothing in this section affects any immunity that may otherwise exist apart from this section.

(k) Nothing in this section prevents the attorney in fact from also being designated as a P.O.D. payee.

SEC. 28. Section 5301 of the Probate Code is amended to read:

5301. (a) An account belongs, during the lifetime of all parties, to the parties in proportion to the net contributions by each to the sums on deposit, unless there is clear and convincing evidence of a different intent.

(b) In the case of a P.O.D. account, the P.O.D. payee has no rights in the sums on deposit during the lifetime of any party, unless there is clear and convincing evidence of a different intent.

(c) In the case of a Totten trust account, the beneficiary has no rights to the sums on deposit during the lifetime of any party, unless there is clear and convincing evidence of a different intent. If there is an irrevocable trust, the account belongs beneficially to the beneficiary.

SEC. 29. Section 5302 of the Probate Code is amended to read:

5302. (a) Sums remaining on deposit at the death of a party to a joint account belong to the surviving party or parties as against the estate of the decedent unless there is clear and convincing evidence of a different intent. If there are two or more surviving parties, their respective ownerships during lifetime are in proportion to their previous ownership interests under Section 5301 augmented by an equal share for each survivor of any interest the decedent may have

owned in the account immediately before the decedent's death; and the right of survivorship continues between the surviving parties.

(b) If the account is a P.O.D. account:

(1) On death of one of two or more parties, the rights to any sums remaining on deposit are governed by subdivision (a).

(2) On death of the sole party or of the survivor of two or more parties, (A) any sums remaining on deposit belong to the P.O.D. payee or payees if surviving, or to the survivor of them if one or more die before the party, (B) if two or more P.O.D. payees survive, any sums remaining on deposit belong to them in equal and undivided shares unless the terms of the account or deposit agreement expressly provide for different shares, and (C) if two or more P.O.D. payees survive, there is no right of survivorship in the event of death of a P.O.D. payee thereafter unless the terms of the account or deposit agreement expressly provide for survivorship between them.

(c) If the account is a Totten trust account:

(1) On death of one of two or more trustees, the rights to any sums remaining on deposit are governed by subdivision (a).

(2) On death of the sole trustee or the survivor of two or more trustees, (A) any sums remaining on deposit belong to the person or persons named as beneficiaries, if surviving, or to the survivor of them if one or more die before the trustee, unless there is clear and convincing evidence of a different intent, (B) if two or more beneficiaries survive, any sums remaining on deposit belong to them in equal and undivided shares unless the terms of the account or deposit agreement expressly provide for different shares, and (C) if two or more beneficiaries survive, there is no right of survivorship in event of death of any beneficiary thereafter unless the terms of the account or deposit agreement expressly provide for survivorship between them.

(d) In other cases, the death of any party to a multiple-party account has no effect on beneficial ownership of the account other than to transfer the rights of the decedent as part of the decedent's estate.

(e) A right of survivorship arising from the express terms of the account or under this section, a beneficiary designation in a Totten trust account, or a P.O.D. payee designation, cannot be changed by will.

SEC. 30. Section 5303 of the Probate Code is amended to read:

5303. (a) The provisions of Section 5302 as to rights of survivorship are determined by the form of the account at the death of a party.

(b) Once established, the terms of a multiple-party account can be changed only by any of the following methods:

(1) Closing the account and reopening it under different terms.

(2) Presenting to the financial institution a modification agreement that is signed by all parties with a present right of withdrawal. If the financial institution has a form for this purpose, it may require use of the form.

(3) If the provisions of the terms of the account or deposit agreement provide a method of modification of the terms of the account, complying with those provisions.

(4) As provided in subdivision (c) of Section 5405.

(c) During the lifetime of a party, the terms of the account may be changed as provided in subdivision (b) to eliminate or to add rights of survivorship. Withdrawal of funds from the account by a party with a present right of withdrawal during the lifetime of a party also eliminates rights of survivorship upon the death of that party with respect to the funds withdrawn.

SEC. 31. Section 5305 of the Probate Code is amended to read:

5305. (a) Notwithstanding Sections 5301 to 5303, inclusive, if parties to an account are married to each other, whether or not they are so described in the deposit agreement, their net contribution to the account is presumed to be and remain their community property.

(b) Notwithstanding Sections 4800.1 and 4800.2 of the Civil Code, the presumption established by this section is a presumption affecting the burden of proof and may be rebutted by proof of either of the following:

(1) The sums on deposit that are claimed to be separate property can be traced from separate property unless it is proved that the married persons made a written agreement that expressed their clear intent that such sums be their community property.

(2) The married persons made a written agreement, separate from the deposit agreement, that expressly provided that the sums on deposit, claimed not to be community property, were not to be community property.

(c) Except as provided in Section 5307, a right of survivorship arising from the express terms of the account or under Section 5302, a beneficiary designation in a Totten trust account, or a P.O.D. payee designation, may not be changed by will.

(d) Except as provided in subdivisions (b) and (c), a multiple-party account created with community property funds does not in any way alter community property rights.

SEC. 32. Section 5306 of the Probate Code is amended to read:

5306. For the purposes of this chapter, if an account is expressly described in the deposit agreement as a "tenancy in common" account, no right of survivorship arises from the terms of the account or under Section 5302 unless the terms of the account or deposit agreement expressly provide for survivorship.

SEC. 33. Section 5307 is added to the Probate Code, to read:

5307. For the purposes of this chapter, except to the extent the terms of the account or deposit agreement expressly provide otherwise, if the parties to an account are married to each other and the account is expressly described in the account agreement as a "community property" account, the ownership of the account during lifetime and after the death of a spouse is governed by the law governing community property generally.

SEC. 34. Section 5401 of the Probate Code is amended to read:

5401. (a) Financial institutions may enter into multiple-party accounts to the same extent that they may enter into single-party accounts. Any multiple-party account may be paid, on request and according to its terms, to any one or more of the parties or agents.

(b) The terms of the account or deposit agreement may require the signatures of more than one of the parties to a multiple-party account during their lifetimes or of more than one of the survivors after the death of any one of them on any check, check endorsement, receipt, notice of withdrawal, request for withdrawal, or withdrawal order. In such case, the financial institution shall pay the sums on deposit only in accordance with such terms, but those terms do not limit the right of the sole survivor or of all of the survivors to receive the sums on deposit.

(c) A financial institution is not required to do any of the following:

(1) Inquire as to the source of funds received for deposit to a multiple-party account, or inquire as to the proposed application of any sum withdrawn from an account, for purposes of establishing net contributions.

(2) Determine any party's net contribution.

(3) Limit withdrawals or any other use of an account based on the net contribution of any party, whether or not the financial institution has actual knowledge of each party's contribution.

(d) All funds in an account, unless otherwise agreed in writing by the financial institution and the parties to the account, remain subject to liens, security interests, rights of setoff, and charges, notwithstanding the determination or allocation of net contributions with respect to the parties.

SEC. 35. Section 5404 of the Probate Code is amended to read:

5404. Any Totten trust account may be paid, on request and according to its terms, to any trustee. Unless the financial institution has received written notice that the beneficiary has a vested interest not dependent upon surviving the trustee, payment may be made to the personal representative or heirs of a deceased trustee if proof of death is presented to the financial institution showing that the deceased trustee was the survivor of all other persons named on the account either as trustee or beneficiary. A Totten trust account may be paid to a beneficiary or beneficiaries or the personal representative or heirs of a beneficiary or beneficiaries if proof of death is presented to the financial institution showing that the beneficiary or beneficiaries survived all persons named as trustees.

SEC. 36. Section 5406 of the Probate Code is amended to read:

5406. The provisions of this chapter that apply to the payment of a Totten trust account apply to an account in the name of one or more parties as trustee for one or more other persons if the financial institution has no other or further notice in writing that the account is not a Totten trust account as defined in Section 80.

SEC. 37. Section 5407 of the Probate Code is amended to read:

5407. If a financial institution is required or permitted to make payment pursuant to this chapter to a person who is a minor:

(a) If the minor is a party to a multiple-party account, payment may be made to the minor or to the minor's order, and payment so made is a valid release and discharge of the financial institution, but this subdivision does not apply if the account is to be paid to the minor because the minor was designated as a P.O.D. payee or as a beneficiary of a Totten trust account.

(b) In cases where subdivision (a) does not apply, payment shall be made pursuant to the California Uniform Transfers to Minors Act, Part 9 (commencing with Section 3900) of Division 4, or as provided in Chapter 2 (commencing with Section 3400) of Part 8 of Division 4.

SEC. 38. Section 6600 of the Probate Code is amended to read:

6600. (a) Subject to subdivision (b), for the purposes of this chapter, "decedent's estate" means all the decedent's personal property, wherever located, and all the decedent's real property located in this state.

(b) For the purposes of this chapter:

(1) Any property or interest or lien thereon which, at the time of the decedent's death, was held by the decedent as a joint tenant, or in which the decedent had a life or other interest terminable upon the decedent's death, shall be excluded in determining the estate of the decedent or its value.

(2) A multiple-party account to which the decedent was a party at the time of the decedent's death shall be excluded in determining the estate of the decedent or its value, whether or not all or a portion of the sums on deposit are community property, to the extent that the sums on deposit belong after the death of the decedent to a survivng party, P.O.D. payee, or beneficiary. As used in this paragraph, the terms "multiple-party account," "party," "P.O.D. payee," and "beneficiary" have the same meaning as given those terms in Article 2 (commencing with Section 5120) of Chapter 1 of Part 1 of Division 5.

SEC. 39. Section 13050 of the Probate Code is amended to read:

13050. (a) For the purposes of this part:

(1) Any property or interest or lien thereon which, at the time of the decedent's death, was held by the decedent as a joint tenant, or in which the decedent had a life or other interest terminable upon the decedent's death, or which was held by the decedent and passed to the decedent's surviving spouse pursuant to Section 13500, shall be excluded in determining the property or estate of the decedent or its value.

(2) A multiple-party account to which the decedent was a party at the time of the decedent's death shall be excluded in determining the property or estate of the decedent or its value, whether or not all or a portion of the sums on deposit are community property, to the extent that the sums on deposit belong after the death of the decedent to a surviving party, P.O.D. payee, or beneficiary. As used

in this paragraph, the terms "multiple-party account," "party," "P.O.D. payee," and "beneficiary" have the same meaning as given those terms in Article 2 (commencing with Section 5120) of Chapter 1 of Part 1 of Division 5.

(b) For the purposes of this part, all of the following property shall be excluded in determining the property or estate of the decedent or its value:

(1) Any vehicle registered under Division 3 (commencing with Section 4000) of the Vehicle Code or titled under Division 16.5 (commencing with Section 38000) of the Vehicle Code.

(2) Any vessel numbered under Division 3.5 (commencing with Section 9840) of the Vehicle Code.

(3) Any manufactured home, mobilehome, commercial coach, truck camper, or floating home registered under Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code.

(c) For the purposes of this part, the value of the following property shall be excluded in determining the value of the decedent's property in this state:

(1) Any amounts due to the decedent for services in the armed forces of the United States.

(2) The amount, not exceeding five thousand dollars ($5,000), of salary or other compensation, including compensation for unused vacation, owing to the decedent for personal services from any employment.

SEC. 40. (a) A financial institution (as defined in Section 5128 of the Probate Code) has no duty to inform any of the following of the enactment of this act:

(1) Any depositor holding an account on January 1, 1990.

(2) Any beneficiary named in a Totten trust account on January 1, 1990.

(3) Any P.O.D. payee designated on a P.O.D. account on January 1, 1990.

(4) Any agent designated on an agency account on January 1, 1990.

(b) No liability may be imposed on a financial institution for failing to inform any person designated in subdivision (a) of the enactment of this act.

SEC. 41. This act applies to accounts in existence on July 1, 1990, and accounts thereafter established.

SEC. 42. This act becomes operative on July 1, 1990.

CHAPTER 398

An act to amend Sections 801, 802, and 803 of the Business and Professions Code, relating to healing arts.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 801 of the Business and Professions Code is amended to read:

801. (a) Every insurer providing professional liability insurance to a person who holds a license, certificate or similar authority from or under any agency mentioned in subdivision (a) of Section 800 (except a person licensed pursuant to Chapter 3 (commencing with Section 1200) or Chapter 5 (commencing with Section 2000) of Division 2) or the Osteopathic Initiative Act shall send a complete report to that agency as to any settlement or arbitration award over three thousand dollars ($3,000) of a claim or action for damages for death or personal injury caused by that person's negligence, error or omission in practice, or rendering of unauthorized professional services. The report shall be sent within 30 days after the written settlement agreement has been reduced to writing and signed by all parties thereto or within 30 days after service of the arbitration award on the parties.

(b) Every insurer providing professional liability insurance to a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 or the Osteopathic Initiative Act shall send a complete report to the Board of Medical Quality Assurance or the Board of Osteopathic Examiners, as appropriate, as to any settlement or arbitration award over thirty thousand dollars ($30,000) of a claim or action for damages for death or personal injury caused by that person's negligence, error or omission in practice, or rendering of unauthorized professional services. The report shall be sent within 30 days after the written settlement agreement has been reduced to writing and signed by all parties thereto or within 30 days after service of the arbitration award on the parties.

(c) Every insurer providing professional liability insurance to a person licensed pursuant to Chapter 13 (commencing with Section 4980) or Chapter 14 (commencing with Section 4990) shall send a complete report to the Board of Behavioral Science Examiners as to any settlement or arbitration award over ten thousand dollars ($10,000) of a claim or action for damages for death or personal injury caused by that person's negligence, error, or omission in practice, or rendering of unauthorized professional services. The report shall be sent within 30 days after the written settlement agreement has been reduced to writing and signed by all parties thereto or within 30 days after service of the arbitration award on the parties.

(d) Notwithstanding any other provision of law, no insurer shall enter into such a settlement without the written consent of the insured, except that this prohibition shall not void any settlement entered into without that written consent. The requirement of written consent can only be waived by both the insured and the insurer. The provisions of this section shall only apply to a settlement on a policy of insurance executed or renewed on or after January 1, 1971.

SEC. 2. Section 802 of the Business and Professions Code is amended to read:

802. (a) Every settlement or arbitration award over three thousand dollars ($3,000) of a claim or action for damages for death or personal injury caused by negligence, error or omission in practice, or the unauthorized rendering of professional services, by a person who holds a license, certificate or other similar authority from an agency mentioned in subdivision (a) of Section 800 (except a person licensed pursuant to Chapter 3 (commencing with Section 1200) or Chapter 5 (commencing with Section 2000) of Division 2) or the Osteopathic Initiative Act who does not possess professional liability insurance as to that claim shall, within 30 days after any such written settlement agreement has been reduced to writing and signed by all the parties thereto or 30 days after service of the arbitration award on the parties, be reported to the agency which issued the license, certificate, or similar authority. A complete report shall be made by appropriate means by the person or his or her counsel, with a copy of the communication to be sent to the claimant through his or her counsel if the person is so represented, or directly if he or she is not. If, within 45 days of the conclusion of the written settlement agreement or service of the arbitration award on the parties, counsel for the claimant (or if the claimant is not represented by counsel, the claimant himself or herself) has not received a copy of the report, he or she shall himself or herself make such a complete report. Failure of the physician or claimant (or, if represented by counsel, their counsel) to comply with this section is a public offense punishable by a fine of not less than fifty dollars ($50) or more than five hundred dollars ($500). Knowing and intentional failure to comply with this section, or conspiracy or collusion not to comply with this section, or to hinder or impede any other person in such compliance is a public offense punishable by a fine of not less than five thousand dollars ($5,000) nor more than fifty thousand dollars ($50,000).

(b) Every settlement or arbitration award over thirty thousand dollars ($30,000) of a claim or action for damages for death or personal injury caused by negligence, error or omission in practice, or the unauthorized rendering of professional services, by a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2, or the Osteopathic Initiative Act, who does not possess professional liability insurance as to such claim shall, within 30 days after any such written settlement agreement has

been reduced to writing and signed by all the parties thereto or 30 days after service of the arbitration award on the parties, be reported to the agency which issued the license, certificate or similar authority. A complete report shall be made by appropriate means by the person or his or her counsel, with a copy of the communication to be sent to the claimant through his or her counsel if he or she is so represented, or directly if he or she is not. If, within 45 days of the conclusion of the written settlement agreement or service of such arbitration award on the parties, counsel for the claimant (or if the claimant is not represented by counsel, the claimant himself or herself) has not received a copy of the report, he shall himself or herself make such a complete report. Failure of the physician or claimant (or, if represented by counsel, their counsel) to comply with this section is a public offense punishable by a fine of not less than fifty dollars ($50) or more than five hundred dollars ($500). Knowing and intentional failure to comply with this section, or conspiracy or collusion not to comply with this section, or to hinder or impede any other person in such compliance is a public offense punishable by a fine of not less than five thousand dollars ($5,000) nor more than fifty thousand dollars ($50,000).

(c) Every settlement or arbitration award over ten thousand dollars ($10,000) of a claim or action for damages for death or personal injury caused by negligence, error, or omission in practice, or the unauthorized rendering of professional services, by a marriage, family, and child counselor or clinical social worker licensed pursuant to Chapter 13 (commencing with Section 4980) or Chapter 14 (commencing with Section 4990), who does not possess professional liability insurance as to that claim shall within 30 days after any such written settlement agreement has been reduced to writing and signed by all the parties thereto or 30 days after service of the arbitration award on the parties, be reported to the agency which issued the license, certificate, or similar authority. A complete report shall be made by appropriate means by the person or his or her counsel, with a copy of the communication to be sent to the claimant through his or her counsel if he or she is so represented, or directly if he or she is not. If, within 45 days of the conclusion of the written settlement agreement or service of the arbitration award on the parties, counsel for the claimant (or if he or she is not represented by counsel, the claimant himself or herself) has not received a copy of the report, he or she shall himself or herself make a complete report. Failure of the marriage, family, and child counselor or clinical social worker or claimant (or, if represented by counsel, their counsel) to comply with this section is a public offense punishable by a fine of not less than fifty dollars ($50) or more than five hundred dollars ($500). Knowing and intentional failure to comply with this section, or conspiracy or collusion not to comply with this section, or to hinder or impede any other person in that compliance is a public offense punishable by a fine of not less than five thousand dollars ($5,000) nor more than fifty thousand dollars

($50,000).

SEC. 3. Section 803 of the Business and Professions Code is amended to read:

803. Within 10 days after a judgment by a court of this state that a person who holds a license, certificate or other similar authority from the Board of Behavioral Science Examiners or from an agency mentioned in Section 800(a) (except a person licensed pursuant to Chapter 3 (commencing with Section 1200) of Division 2) has committed a crime, or is liable for any death or personal injury resulting in a judgment for an amount in excess of thirty thousand dollars ($30,000) caused by his or her negligence, error or omission in practice, or his or her rendering unauthorized professional services, the clerk of the court which rendered the judgment shall report that fact to that agency which issued the license, certificate or other similar authority.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 399

An act to amend Section 8664.8 of the Fish and Game Code, relating to commercial fishing.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8664.8 of the Fish and Game Code is amended to read:

8664.8. (a) Notwithstanding Sections 8685, 8687, 8696, and 8724, set or drift gill or trammel nets shall not be used on or after April 1,

1987, in the following ocean waters, except as provided in subdivision (d):

(1) Between a line extending 245° magnetic from the most westerly point of the west point of the Point Reyes headlands in Marin County and the westerly extension of the California-Oregon boundary.

(2) In waters which are 40 fathoms or less in depth at mean lower low water between a line extending 245° magnetic from the most westerly point of the west point of the Point Reyes headlands in Marin County and a line extending due east and west magnetic from Duxbury buoy in Marin County.

(b) Notwithstanding Sections 8687, 8696, and 8724, set or drift gill or trammel nets shall not be used in the following ocean waters from April 1, 1987, to March 31, 1988, except as provided in subdivision (d):

(1) In waters which are 20 fathoms or less in depth at mean lower low water between a line extending due east and west magnetic from Duxbury buoy in Marin County and a line extending 225° magnetic from Franklin Point in San Mateo County.

(2) In waters within five nautical miles of the most westerly point of Point San Pedro.

(c) (1) Notwithstanding Sections 8664.5, 8687, 8696, and 8724, set or drift gill or trammel nets shall not be used on and after April 1, 1988, in waters which are 40 fathoms or less in depth at mean lower low water between a line extending 245° magnetic from the most westerly point of the west point of the Point Reyes headlands in Marin County and a line extending 220° magnetic from the mouth of Waddell Creek in Santa Cruz County.

(2) Notwithstanding Sections 8664.5, 8687, 8696, and 8724, set or drift gill or trammel nets shall not be used on or after April 1, 1990, in ocean waters which are 60 fathoms or less in depth at mean lower low water between a line extending 225° magnetic from Pillar Point at Half Moon Bay in San Mateo County to a line extending 220° magnetic from the mouth of Waddell Creek in Santa Cruz County.

(d) Subdivisions (a), (b), and (c) do not apply to the use of drift gill nets operated under a permit issued by the department in that part of Arcata Bay in Humboldt County lying northeast of the Samoa Bridge during the period from April 1 to September 30, inclusive. The department may issue not more than six permits pursuant to this subdivision. Each permit shall specify the amount and type of gear which may be used under the permit.

(e) Subdivisions (a), (b), and (c) do not apply to the use of set gill nets used pursuant to Article 15 (commencing with Section 8550) of Chapter 2 of Part 3 of Division 6 or regulations adopted under that article or to the use of drift gill nets with a mesh size of 14 inches or more.

(f) (1) Notwithstanding subdivision (b) and Sections 8687, 8696, and 8724, gill or trammel nets shall not be used within three nautical miles of the Farallon Islands, and Noonday Rock buoy in San Francisco County.

(2) If the director determines that the use of set or drift gill or trammel nets is having an adverse impact on any population of any species of sea bird, marine mammal, or fish, the director shall issue an order prohibiting the use of those nets between three nautical miles and five nautical miles of the Farallon Islands and Noonday Rock buoy or any portion of that area. The order shall take effect no later than 48 hours after its issuance. The director shall hold a properly noticed public hearing in a place convenient to the affected area within one week of the effective date of the order to describe the action taken and shall take testimony as to the effect of the order and determine whether any modification of the order is necessary. Gill and trammel nets used to take fish in District 10 shall be marked at each end with a buoy displaying above its waterline in Arabic numerals at least two inches high, the certificate of vessel registration number issued by the department under Section 7881 for the vessel from which the net is being used. Nets shall be marked at both ends and at least every 250 fathoms between the ends with flags of the same color and at least 144 square inches in size, acceptable to the department.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 400

An act to amend Section 4513 of, and to add Section 4582.9 to, the Public Resources Code, relating to forest resources.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 12, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4513 of the Public Resources Code is amended to read:

4513. It is the intent of the Legislature to create and maintain an effective and comprehensive system of regulation and use of all timberlands so as to assure that:

(a) Where feasible, the productivity of timberlands is restored, enhanced, and maintained.

(b) The goal of maximum sustained production of high-quality

timber products is achieved while giving consideration to values relating to recreation, watershed, wildlife, range and forage, fisheries, employment, and aesthetic enjoyment.

SEC. 2. Section 4582.9 is added to the Public Resources Code, to read:

4582.9. (a) Notwithstanding any other provision of this chapter, the Director of Fish and Game or the State Water Resources Control Board may, not later than 10 days after approval of a plan by the director, appeal the approval to the board. At the time of filing of an appeal with the board, the person shall notify the director and the plan submitter of the appeal, and no further timber operations shall occur under the plan until the final determination of the appeal by the board.

(b) The Director of Fish and Game or the State Water Resources Control Board may appeal the approval of a plan by the director only if the Department of Fish and Game or the State Water Resources Control Board or a California regional water quality control board has (1) participated in an onsite inspection of the plan with the department and (2) participated in a multidisciplinary review of the plan. The board may establish procedures for filing an appeal and may, in order to demonstrate that a substantial issue is raised with respect to the environment or public safety, specify findings which are required to be made in filing an appeal.

(c) The board shall grant a hearing if it determines that the appeal under this section raises substantial issues with respect to the environment or to public safety. The board, by regulation, may delegate this determination to its chairperson.

(d) The board shall hold a public hearing within 30 days after the filing of an appeal, or a longer period mutually agreed upon by the board, the appellant, and the plan submitter. Witnesses may appear either at the request of a party having standing or at a request of a majority of the board or board committee holding the hearing. Within 10 days after the conclusion of the hearing, the board shall approve or deny the plan. The basis for the board's decision shall be all applicable provisions of California law, including, but not limited to, the California Timberland Productivity Act of 1982 (Chapter 6.7 (commencing with Section 51100) of Division 1 of Title 5 of the Government Code) and subdivision (d) of Section 4512. In denying a plan, the board may make findings that set forth conditions under which it believes the plan would have been approved. The board may delegate conduct of the hearing and the decision to a committee of three members to be appointed for that hearing by the chairperson of the board. The committee shall consist of one general public member, one industry member, and the chairperson or the chairperson's designee. The chairperson of the board or the chairperson's designee shall conduct the hearing. The decision of the committee shall have the full force of a decision of the full board. At any time prior to a decision on an appeal conducted by a committee, any member of the committee may file a declaration of importance

with the executive officer of the board and that appeal shall be immediately transferred to the full board for decision.

CHAPTER 401

An act to amend Sections 30913 and 30914 of the Streets and Highways Code, relating to toll bridges, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 30913 of the Streets and Highways Code is amended to read:

30913. (a) In addition to any other authorized expenditure of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges in the northern bridge unit:

(1) Benicia-Martinez Bridge: widening of the existing bridge.

(2) Benicia-Martinez Bridge: construction of an additional span parallel to the existing bridge.

(3) Carquinez Bridge: replacement of the existing western span.

(4) Richmond-San Rafael Bridge: major rehabilitation of the bridge, and development of a new easterly approach between the toll plaza and Route 80, near Pinole.

(b) Notwithstanding Section 30895.5, up to 3 percent of the revenues derived from the toll increase authorized by Section 30917 on all bridges in the northern bridge unit may be allocated by the Metropolitan Transportation Commission for transportation projects, other than those specified in Sections 30912, 30913, and 30914, which are designed to reduce vehicular traffic congestion on any bridge in that group, including, but not limited to, bicycle facilities and the planning, construction, acquisition, and operation of rapid water transit systems, subject to the restrictions contained in any applicable bond resolution. The plans for the projects may also be funded by these moneys.

(c) The department shall not include, in the plans for the new Benicia-Martinez Bridge, toll plazas, highways, or other facilities leading to or from the Benicia-Martinez Bridge, any construction which would result in the net loss of any wetland acreage.

(d) With respect to the Benicia-Martinez and Carquinez bridges, the department shall consider the potential for rail transit as part of the plans for the new structures specified in paragraphs (2) and (3) of subdivision (a).

SEC. 2. Section 30914 of the Streets and Highways Code is amended to read:

30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges in the southern bridge unit:

(1) Dumbarton Bridge: improvement of the western approaches from Route 101 if affected local governments are involved in the planning.

(2) San Mateo-Hayward Bridge and approaches: widening of the bridge to six lanes, and improvements to the Route 92/Route 880 interchange.

(3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.

(4) Not less than 90 percent of the revenues derived from the toll increase authorized by Section 30917 for class I vehicles on the San Francisco-Oakland Bay Bridge shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge. The remaining revenues shall be used to fund the projects specified in paragraphs (1), (2), and (3) of this subdivision.

(b) Notwithstanding Section 30895.5, up to 3 percent of the revenues derived from the toll increase authorized by Section 30917 on all bridges in the southern bridge unit may be allocated by the Metropolitan Transportation Commission for transportation projects other than those specified in Sections 30912, 30913, and 30914, which are designed to reduce vehicular traffic congestion on any bridge in that group, including, but not limited to, bicycle facilities and the planning, construction, acquisition, and operation of rapid water transit systems, subject to the restrictions contained in any applicable bond resolution. The plans for the projects may also be funded by these moneys.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that revenues derived from the increased tolls on San Francisco Bay area bridges may be allocated at the earliest possible time to provide funding for projects designed to reduce vehicular traffic congestion on those bridges, it is necessary that this act take effect immediately.

CHAPTER 402

An act to amend Section 10203.4 of the Insurance Code, relating to insurance.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10203.4 of the Insurance Code is amended to read:

10203.4. Insurance under any group life insurance policy issued pursuant to Sections 10202, 10202.7, 10202.8, 10203, 10203.1, and 10203.7 may, if 75 percent of the insured employees elect, be extended to insure the dependents, or any class or classes thereof, of each insured employee who so elects, in amounts in accordance with some plan which precludes individual selection and which shall not be in excess of 50 percent of the insurance on the life of such insured employee.

"Dependent" includes the member's spouse and all unmarried children from birth through 20 years of age, or through age 22, if the dependent child is attending an educational institution, or a child 21 years of age or over who is both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the employee for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer by the employee within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

The premiums for the insurance on such dependents may be paid by the employer or by the employee or by the employer and the employee jointly.

CHAPTER 403

An act to amend Section 87200 of the Government Code, relating to public officials.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 87200 of the Government Code is amended to read:

87200. This article is applicable to elected state officers, judges

and commissioners of courts of the judicial branch of government, members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Commission, members of planning commissions, members of the board of supervisors, district attorneys, county counsels, county treasurers, and chief administrative officers of counties, mayors, city managers, city attorneys, city treasurers, chief administrative officers and members of city councils of cities, and other public officials who manage public investments, and to candidates for any of these offices at any election.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. The Legislature finds and declares that this act furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 404

An act to amend Sections 20011.1 and 20020.8 of, and to add Section 21252.4 to, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 20011.1 of the Government Code is amended to read:

20011.1. "School employer" means a county superintendent of schools, other than the Los Angeles County Superintendent of Schools and the San Diego County Superintendent of Schools, which has entered into a contract with the board pursuant to Chapter 4.5 (commencing with Section 20580) and any school district or community college district which was a contracting agency on July 1, 1983, excluding that portion of a contract with the Los Angeles City Unified School District and the Los Angeles Community College District that pertains to local policemen, as defined in Section 20020.8, on July 1, 1983, and excluding that portion of a resolution

adopted on or after January 1, 1990, pursuant to Section 21252.4 that pertains to local policemen, as defined in Section 20020.8.

SEC. 2. Section 20020.8 of the Government Code is amended to read:

20020.8. "Local policeman" also includes any officer or employee of a school district or a community college district which has established a police department pursuant to Section 39670 or 72330 of the Education Code, whose principal duties consist of active law enforcement service, except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though such a person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement.

This section shall only apply to any school district or community college district which prior to June 30, 1982, had amended its contract to provide membership for local policemen or which, on or after January 1, 1990, elects, pursuant to Section 21252.4, to provide membership for local policemen.

SEC. 3. Section 21252.4 is added to the Government Code, to read:

21252.4. A school district or community college district which adopts a resolution to be subject to this section may offer to its local policemen, as defined by Section 20020.8, any of the retirement formulas set forth in Sections 21252.01, 21252.02, 21252.6, and 21252.61.

This section shall not apply to those local policemen of any school district or community college district unless and until the school district or community college district elects to become subject to this section by adopting a resolution to that effect and transmitting that resolution through the county superintendent of schools to the board. Notwithstanding any specified effective date in a resolution, the resolution shall not become effective until it is received by the Public Employees' Retirement System.

SEC. 4. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 405

An act to amend Section 77301 of the Government Code, relating to trial court funding, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 77301 of the Government Code is amended to read:

77301. A county shall notify the state of its decision to opt into the system by transmitting to the Secretary of State and the Controller a resolution, agreeing without qualification or condition to be bound by the provisions of this chapter in consideration for state funding of trial courts in that county.

The resolution shall be signed by the chairperson of the board of supervisors, the presiding judge of the superior court, and the presiding judge of the municipal court district in which the county seat is located, if there is a municipal court, or if there is no such municipal court district, the judge of the justice court district in which the county seat is located, and shall certify that a majority of each of the board of supervisors, the judges of the superior court, and the judges of the municipal and justice courts in the county requests state funding. However, in a county having only one superior court judge, no municipal court judge, and only one justice court judge who serves less than one-fifth time, as determined by the Judicial Council, only the superior court judge may so sign and certify for the judges of the county.

The option notification for the second half of the 1988–89 fiscal year shall be deemed effective on January 1, 1989. In subsequent years, the option notification shall become effective for the full fiscal year on the July 1 following notification, if sufficient moneys have been appropriated in the Budget Act for that fiscal year to adequately fund the program.

SEC. 2. It is the intent of the Legislature that no county be precluded from receiving trial court funding for the 1989–90 fiscal year so long as the resolution requesting that funding was filed within the deadlines specified in the Brown-Presley Trial Court Funding Act and meets the requirements of the Brown-Presley Trial Court Funding Act as amended by this act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent a possible loss of public services resulting from a possible loss of trial court funding for the 1989–90 fiscal year, it is

necessary that this act take effect immediately.

CHAPTER 406

An act to amend Section 19160 of, and to repeal Sections 19161, 19162, 19163, 19164, 19165, and 19166 of, the Education Code, relating to county libraries.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19160 of the Education Code is amended to read:

19160. The county free library is under the general supervision of the board of supervisors, which may:

(a) Make general rules and regulations regarding the policy of the county free library.

(b) Establish, upon the recommendation of the county librarian, branches and stations throughout the county and may locate the branches and stations in cities wherever deemed advisable.

(c) Determine the number and kind of employees of the library.

SEC. 2. Section 19161 of the Education Code is repealed.

SEC. 3. Section 19162 of the Education Code is repealed.

SEC. 4. Section 19163 of the Education Code is repealed.

SEC. 5. Section 19164 of the Education Code is repealed.

SEC. 6. Section 19165 of the Education Code is repealed.

SEC. 7. Section 19166 of the Education Code is repealed.

CHAPTER 407

An act to amend Section 10851 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10851 of the Welfare and Institutions Code is amended to read:

10851. (a) Each county shall establish and maintain a case record for each public social services case and shall retain such record for a period of three years. The three-year retention period begins on the date on which public social services were last provided. The records shall be retained beyond the three-year retention period

when the county is notified by the department or the State Department of Health Services, whichever has jurisdiction over the records, to retain records for a longer period of time. The department or the State Department of Health Services, whichever has jurisdiction over the records, shall instruct a county to retain records beyond the three-year period when such retention is necessary to a pending civil or criminal action.

(b) Notwithstanding subdivision (a), the board of supervisors of any county may authorize the destruction of the case narrative portions of the case record that are over three years old in any case file, active or inactive, only after audit by the department or the State Department of Health Services, whichever has jurisdiction over the record. In addition, the board may also authorize the destruction of those documents contained in the case file which are over three years old and are no longer necessary to document the recipient's continued eligibility for public social services. However, if a civil or criminal action against a person based on alleged unlawful application for, or receipt of, public social services, is commenced before the expiration of the three-year period no portion of the case record of such person shall be destroyed until such action is terminated.

(c) Each county shall maintain fiscal, statistical and other such records necessary for maintaining accountability and meeting reporting requirements relating to the administration of public social services. Such fiscal and reporting records shall be retained for a minimum period of three years from the date of submission of the final expenditure report and shall be retained beyond the three-year period when audit findings have not been resolved.

(d) The retention requirements imposed by subdivisions (a) and (c) of this section are for public social services purposes only and are superseded to the extent another statute requires retention of the same records for a longer period for a different purpose.

(e) Notwithstanding subdivision (a), or any other statutory requirement concerning the retention of public social services records, a child protective services agency may, but need not, retain a child abuse report which has been determined to be an unfounded report, as defined in Section 11165.12 of the Penal Code.

CHAPTER 408

An act to amend Sections 272 and 306 of the Welfare and Institutions Code, relating to minors.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 272 of the Welfare and Institutions Code is amended to read:

272. (a) The board of supervisors may delegate to the county welfare department all or part of the duties of the probation officer concerning dependent children described in Section 300.

(b) Notwithstanding subdivision (a), a social worker in a county welfare department may perform the duties specified by Section 306.

SEC. 2. Section 306 of the Welfare and Institutions Code is amended to read:

306. Any social worker in a county welfare department, while acting within the scope of his or her regular duties under the direction of the juvenile court and pursuant to subdivision (b) of Section 272, may do all of the following:

(a) Receive and maintain, pending investigation, temporary custody of a minor who is described in Section 300, and who has been delivered by a peace officer.

(b) Take into and maintain temporary custody of, without a warrant, a minor who has been declared a dependent child of the juvenile court under Section 300 or who the social worker has reasonable cause to believe is a person described in subdivision (b) or (g) of Section 300, and the social worker has reasonable cause to believe that the minor has an immediate need for medical care or is in immediate danger of physical or sexual abuse or the physical environment poses an immediate threat to the child's health or safety.

Before taking a minor into custody a social worker shall consider whether there are any reasonable services available to the worker which, if provided to the minor's parent, guardian, caretaker, or to the minor, would eliminate the need to remove the minor from the custody of his or her parent, guardian, or caretaker. In addition, the social worker shall also consider whether a referral to public assistance pursuant to Chapter 2 (commencing with Section 11200) of Part 3, Chapter 7 (commencing with Section 14000) of Part 3, Chapter 1 (commencing with Section 17000) of Part 5, and Chapter 10 (commencing with Section 18900) of Part 6, of Division 9 would eliminate the need to take temporary custody of the minor. If those services are available they shall be utilized.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act

contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 409

An act to amend Sections 11965.4 and 11965.7 of, and to repeal Section 11968 of, the Health and Safety Code, relating to health.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11965.4 of the Health and Safety Code is amended to read:

11965.4. School-community primary prevention programs shall be funded with 90 percent state and 10 percent school district or community organization funds. The 10 percent may be comprised of a combination of both school district and community organization funds; however, community organizations shall not be precluded from participating in the program because they do not contribute matching funds.

SEC. 2. Section 11965.7 of the Health and Safety Code is amended to read:

11965.7. In those counties electing to apply for funds under this article, both the county administrator and the county office of education shall designate units with primary responsibility for planning and administering the School-Community Primary Prevention Program. These units shall work together on a cooperative basis to review and develop the school and community program plan and applications for funds. The joint application of school-community primary drug abuse prevention plan prepared by the county administrator and the county office of education shall be submitted to the local primary prevention advisory committee, as established pursuant to subdivision (b) of Section 11966, for review and comment. After this review, the school-community primary drug abuse prevention plan shall be submitted to the state as a separate and distinct part of a county drug plan. Applications for funding shall be reviewed by an external review selection committee. This committee shall be composed of no less than six

members, appointed by the State Department of Alcohol and Drug Programs, half of the appointees shall be educators recommended by the State Department of Education and currently working in the field of public education. The committee shall review applications and make recommendations for grant awards.

SEC. 3. Section 11968 of the Health and Safety Code is repealed.

CHAPTER 410

An act to amend Section 2881 of the Public Utilities Code, relating to telephones.

[Approved by Governor September 12, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2881 of the Public Utilities Code, is amended to read:

2881. (a) The commission shall design and implement a program whereby each telephone corporation shall provide a telecommunications device capable of servicing the needs of the deaf or severely hearing impaired, together with a single party line, at no charge additional to the basic exchange rate, to any subscriber who is certified as deaf or severely hearing impaired by a licensed physician, audiologist, or a qualified state agency and to any subscriber which is an organization representing the deaf or severely hearing impaired, as determined and specified by the commission pursuant to subdivision (d).

(b) The commission shall also design and implement a program whereby each telephone corporation shall provide a dual-party relay system, using third-party intervention to connect deaf or severely hearing-impaired persons and offices of organizations representing the deaf or severely hearing impaired, as determined and specified by the commission pursuant to subdivision (d), with persons of normal hearing by way of intercommunications devices for the deaf or severely hearing impaired and the telephone system, making available reasonable access of all phases of public telephone service to deaf or severely hearing-impaired telephone subscribers. In order to make a dual party relay system which will meet the requirements of deaf and severely hearing-impaired persons available at a reasonable cost, the commission shall initiate an investigation, conduct public hearings to determine the most cost-effective method of providing dual-party relay service to the deaf or severely hearing impaired when using a telecommunications device, and solicit the advice, counsel, and physical assistance of statewide nonprofit consumer organizations of the deaf, during the development and implementation of the system. The commission

shall phase in this program, on a geographical basis, over a three-year period ending on January 1, 1987.

(c) The commission shall also design and implement a program whereby specialized or supplemental telephone communications equipment may be provided to subscribers who are certified to be disabled at no charge additional to the basic exchange rate. The certification, including a statement of medical need for specialized telephone communications equipment, shall be provided by a licensed physician and surgeon acting within the scope of his or her license or by a qualified state agency, as determined by the commission. The commission shall, in this connection, study the feasibility of, and implement if determined to be feasible, personal income criteria, in addition to the medical certification of disability, for determining a subscriber's eligibility under this subdivision.

(d) The commission shall establish a rate recovery mechanism through a surcharge not to exceed one-half of 1 percent uniformly applied to a subscriber's intrastate telephone service, other than one-way radio paging service and universal telephone service, both within a service area and between service areas, to allow telephone corporations to recover costs as they are incurred under this section. The surcharge shall be in effect until July 1, 1992. The commission shall require that the programs implemented under this section be identified on subscribers' bills as "communication devices funds for deaf and disabled" and shall establish a fund and require separate accounting for each of the programs implemented under this section.

(e) The commission shall determine and specify those statewide organizations representing the deaf or severely hearing impaired which shall receive a telecommunications device pursuant to subdivision (a) or a dual party relay system pursuant to subdivision (b), or both, and in which offices the equipment shall be installed in the case of an organization having more than one office. The commission shall direct the telephone corporations subject to its jurisdiction to comply with its determinations and specifications in this regard.

(f) The commission shall prepare and submit to the Legislature, on or before December 31, 1988, and annually thereafter, a report on the fiscal status of the programs established and funded pursuant to this section and Section 2881.1. The report shall include a statement of the surcharge level established pursuant to subdivision (d) and revenues produced by the surcharge, an accounting of program expenses, and an evaluation of options for controlling those expenses and increasing program efficiency, including, but not limited to, the following proposals:

(1) The establishment of a means test for persons to qualify for program equipment or free or reduced charges for the use of telecommunication services.

(2) The imposition of limits or other restrictions on maximum usage levels for the relay service, which shall include the development of a program to provide basic communications

requirements to relay users at discounted rates and, for usage in excess of those basic requirements, at rates which recover the full costs of service.

(3) More efficient means for obtaining and distributing equipment to qualified subscribers.

(4) The establishment of quality standards for increasing the efficiency of the relay system.

CHAPTER 411

An act to add Part 3.5 (commencing with Section 9401) to Division 2 of the Revenue and Taxation Code, relating to fuel taxes.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Part 3.5 (commencing with Section 9401) is added to Division 2 of the Revenue and Taxation Code, to read:

PART 3.5. FUEL TAX AGREEMENTS

9401. The board, with the approval of the Department of Finance, may on behalf of the state become a party to a reciprocal fuel tax agreement between this state and another jurisdiction, or an agency thereof which is authorized to enter into such an agreement, providing for the administration, collection, and enforcement by a party to the agreement of the fuel taxes imposed by another jurisdiction, and for the forwarding of collections to the jurisdiction on behalf of which the tax was collected.

For purposes of this section, "fuel taxes" means the tax imposed by this state pursuant to Part 2 (commencing with Section 7301) or Part 3 (commencing with Section 8601), and taxes of a similar nature imposed by another jurisdiction.

For purposes of this section, a "jurisdiction" is this state, any other state, the District of Columbia, or a province or territory of Canada, which is a party to a reciprocal fuel tax agreement authorized by this section.

The board may adopt and enforce regulations necessary to implement the terms of a reciprocal fuel tax agreement to which the board is a party.

CHAPTER 412

An act to add Section 798.7 to, and to add Article 4.5 (commencing with Section 798.45) to Chapter 2.5 of Part 2 of Division 2 of, the Civil Code, relating to mobilehomes.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 798.7 is added to the Civil Code, to read:

798.7. "New Construction" means any newly constructed spaces initially held out for rent after January 1, 1990.

SEC. 2. Article 4.5 (commencing with Section 798.45) is added to Chapter 2.5 of Part 2 of Division 2 of the Civil Code, to read:

Article 4.5. Rent Control

798.45. Notwithstanding Section 798.17, "new construction" as defined in Section 798.7, shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by any city, county, or city and county, which establishes a maximum amount that a landlord may charge a tenant for rent.

CHAPTER 413

An act to amend Section 1596.792 of the Health and Safety Code, relating to child day care.

[Approved by Governor September 12, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1596.792 of the Health and Safety Code is amended to read:

1596.792. This chapter and Chapters 3.5 (commencing with Section 1596.90) and 3.6 (commencing with Section 1597.30) do not apply to any of the following:

(a) Any health facilities, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any community care facility, as defined by Section 1502.

(d) Any family day care home providing care for the children of only one family in addition to the operator's own children.

(e) Any cooperative arrangement between parents for the care of their children where no payment is involved and the arrangement meets all of the following conditions:

(1) In a cooperative arrangement, parents shall combine their efforts so that each parent, or set of parents, rotates as the responsible care-giver with respect to all the children in the cooperative.

(2) Any person caring for children shall be a parent, legal guardian, stepparent, grandparent, aunt, uncle, or adult sibling of at least one of the children in the cooperative.

(3) There can be no payment of money or receipt of in-kind income in exchange for the provision of care. This does not prohibit in-kind contributions of snacks, games, toys, blankets for napping, pillows and other materials parents deem appropriate for their children. It is not the intent of this paragraph to prohibit payment for outside activities, the amount of which may not exceed the actual cost of the activity.

(4) No more than 12 children are receiving care in the same place at the same time.

(f) Any arrangement for the receiving and care of children by a relative.

(g) Any public recreation program. "Public recreation program" means a program operated by the state, city, county, special district, school district, community college district, chartered city, or chartered city and county which meets either of the following criteria:

(1) The program is provided for children over the age of four years and nine months and is in operation for either of the following periods:

(A) For under 13 hours per week.

(B) For more than 12 hours per week and is for 12 weeks or less per year in duration.

(2) The program is provided to children under the age of four years and nine months with sessions which run 12 hours per week or less and are 12 weeks or less in duration.

(h) Extended day care programs operated by public or private schools.

CHAPTER 414

An act to amend Section 7 of the Yuba County Water Agency Act (Chapter 788 of the Statutes of 1959), relating to the Yuba County Water Agency.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7 of the Yuba County Water Agency Act (Chapter 788 of the Statutes of 1959) is amended to read:

Sec. 7. (a) The board of directors shall consist of seven members.

The members of the board of supervisors of the county shall be ex officio members of the board of directors of the agency. Two members of the board of directors shall be elected by the voters in accordance with this section. Each elected director shall be a registered voter, a resident of the county, and eligible to hold elected office. One elected director shall reside north of the Yuba River and shall be elected by the voters residing north of the Yuba River. The other elected director shall reside south of the Yuba River and shall be elected by voters residing south of the Yuba River.

(b) The term of office of the two elected directors shall be four years, except that the initial terms of office shall be staggered with one director, chosen by lot, serving for a term of two years. The two elected directors shall initially be elected at the general election held on November 6, 1990, and shall take office at the first meeting of the board of directors after January 1, 1991.

(c) Directors shall be entitled to receive from the agency the sum of twenty dollars ($20) for each meeting attended, plus actual, necessary and reasonable traveling expenses. The basis for compensation of the directors, and the amount thereof, may be altered only by a five-sevenths vote of the directors. The board of directors may adopt reasonable rules and regulations to carry out its powers and duties. The board of directors shall elect a chairperson and vice chairperson. The chairperson shall preside at all meetings of the board and in case of his or her absence or inability to act, the vice chairperson shall preside. In case of the absence of the chairperson and vice chairperson or their inability to act, the members present shall, by an order entered in the records, select a member to act as temporary chairperson. Any member of the board may administer oaths when necessary in the performance of his or her official duties. A majority of the members of the board shall constitute a quorum for the transaction of business, but no act of the board shall be valid or binding unless a majority of all members concur therein.

SEC. 2. The Yuba County Water Agency Advisory Council is hereby abolished.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 415

An act to amend Section 29632 of, and to add Section 29630.5 to, the Elections Code, relating to elections.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 29630.5 is added to the Elections Code, to read:

29630.5. (a) No person shall, with the intent of dissuading another person from voting, within 100 feet of a polling place:

(1) Solicit a vote or speak to a voter on the subject of marking his or her ballot.

(2) Place a sign relating to voters' qualifications or speak to a voter on the subject of his or her qualifications except as provided in Section 14216.

(b) Any person who violates this section is punishable by imprisonment in the county jail for not more than 12 months, or in the state prison. Any person who conspires to violate this section is guilty of a felony.

(c) For purposes of this section, 100 feet shall mean a distance of 100 feet from the room or rooms in which voters are signing the roster and casting ballots.

SEC. 2. Section 29632 of the Elections Code is amended to read:

29632. (a) Every person who knowingly challenges a person's right to vote without probable cause or on fraudulent or spurious grounds, or who engages in mass, indiscriminate, and groundless challenging of voters solely for the purpose of preventing voters from voting or to delay the process of voting, or who fraudulently advises any person that he or she is not eligible to vote or is not registered to vote when in fact that person is eligible or is registered, or who violates any part of Section 14216, is punishable by imprisonment in the county jail for not more than 12 months or in the state prison.

(b) Every person who conspires to violate subdivision (a) is guilty of a felony.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 416

An act to amend Sections 14 and 14.3 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945), and to amend Sections 32, 201, 202, 205, 521, and 700 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987), relating to water agencies.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is amended to read:

Sec. 14. (a) The board of supervisors of the district shall have power in any year to do both of the following:

(1) Levy an ad valorem tax or an assessment upon all taxable property in the district to pay the costs and expenses of the district and to carry out any of the objects or purposes of this act of common benefit to the district as a whole. However, the ad valorem tax or the assessment shall not exceed two and one-half cents ($0.025) on each one hundred dollars ($100) of assessed valuation. It is declared that for purposes of such a tax or assessment all property within the district is equally benefited.

(2) Levy an ad valorem tax or an assessment upon all taxable property in each or any of the zones, according to the benefits derived or to be derived by the respective zones to pay the cost and expenses of carrying out any of the objects or purposes of this act of special benefit to the respective zones, including the constructing, maintaining, operating, extending, repairing, or otherwise improving any or all works or improvements within the respective zones. Except as provided in subdivisions (b) and (c), in the case of any assessment under this act, the benefit may be determined on the basis of the proportionate storm water runoff from each parcel. It is declared that all property within a given zone that is located within a watershed or watersheds which are tributary to an existing or proposed flood control improvement is equally benefited.

(b) Whenever a railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way is included within an area proposed to be assessed, the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the assessment only if, and to the extent that, it is found that it will benefit from the service, and the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the same penalties, and the same procedure and sale, in the event

of delinquencies, as other parcels in the assessment area. In determining whether or not the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way benefits from the services provided, its use as a right-of-way for a railroad, gas, water, telephone, cable television, electric, or other utility shall be presumed to be permanent.

(c) Proportionate storm water runoff may be used as a measure of benefit on an undeveloped parcel of land pursuant to this section only if, and to the extent that, it is found that it will benefit from the service.

For the purposes of this section, "undeveloped parcel of land" means a parcel of rural land in its undeveloped natural state, although the land may be grazed, if otherwise undisturbed, in a manner consistent with the normally accepted grazing land management practices for that geographic area. "Undeveloped parcel of land" also includes wetlands and marshlands if undisturbed and subject to periodic inundation. For purposes of this section, "rural land" is land which is outside of an urbanized area as designated by the most recent federal decennial census of the United States Bureau of the Census.

(d) The taxes or assessments shall be levied and collected together with, and not separately from, taxes for county purposes, and the revenues derived from the taxes or assessments shall be paid into the county treasury to the credit of the district and the board of supervisors of the district shall have the power to control and order the expenditure thereof for those purposes. However, no revenues, or portions thereof, derived in any of the several zones from the taxes or assessments levied under the provisions of paragraph (2) of subdivision (a) shall be expended for constructing, maintaining, operating, extending, repairing, or otherwise improving any works or improvements located in any other zone except joint projects or joint works of improvement in two or more zones or works of improvement which are for the common benefit of two or more zones. The aggregate taxes or assessments levied under this act for any one fiscal year shall not exceed forty cents ($0.40) on each one hundred dollars ($100) of assessed valuation of the taxable property in the zones exclusive of any tax levied to meet the bonded indebtedness of any of the zones and the interest thereon.

(e) Assessments levied pursuant to this section to pay the cost of constructing, maintaining, operating, extending, repairing, or otherwise improving works or improvements shall be based upon the benefit that each parcel of real property to be assessed will derive from the works and improvements to be constructed, maintained, operated, extended, or repaired. For purposes of levying any assessment, the board of supervisors may establish one or more zones of benefit, including parcels of real property which benefit similarly from those works and improvements, and may levy different assessments within those zones. The zones of benefit shall be identified and described in a resolution adopted by the board of

supervisors. In levying assessments pursuant to this section, the board of supervisors shall be subject to the substantive requirements of Section 54711 of the Government Code and shall employ the procedures provided for in Sections 54715 and 54716 of the Government Code, except that, if, prior to the conclusion of the hearing, written protests against the proposed assessment signed by 25 percent of the eligible voters within the area to be assessed are filed with the board, further proceedings relating to the proposed assessment shall be suspended for not less than one year following the date of the conclusion of the hearing. Proceedings for levying assessments pursuant to this section may be combined with proceedings for levying assessments pursuant to Sections 26.1 to 26.9, inclusive, and the procedures prescribed by those sections shall be modified as the board deems necessary to accommodate the combination of the proceedings. Assessments levied pursuant to this section may, but need not be, ad valorem assessments.

The amendment of this section made at the 1989–90 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

SEC. 2. Section 14.3 of the Riverside County Flood Control and Water Conservation District Act (Chapter 1122 of the Statutes of 1945) is amended to read:

Sec. 14.3. The board of supervisors of the district may issue negotiable promissory notes pursuant to this section for the purpose of acquiring funds to finance construction of administrative offices, construction of headquarters, commercial offices or facilities for similar district purposes, and for acquisition of land for any of the foregoing district purposes. The maturity of the promissory notes shall not be later than 10 years from the date thereof. The total aggregate amount of the promissory notes outstanding at any one time shall not exceed the lesser of either four million dollars ($4,000,000) or 1 percent of the assessed valuation of the taxable property in the district or zone or zones thereof as shown on the last assessment roll.

SEC. 3. Section 32 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 32. The district shall comprise generally the valley lands within the watershed of the Colusa Basin which are tributary to the mouth of the Colusa Basin Drain at the Knights Landing Outfall Gates. The boundary of the district is delineated on United States Geological Survey Quadrangles on file with the Northern District office of the Department of Water Resources in Red Bluff. The boundary of the district is described generally as commencing at the State Highway Route 113 bridge across the Knights Landing Ridge Cut, thence along the Knights Landing Ridge between the Colusa Basin and the Cache Creek watersheds southerly and westerly through the town of Yolo to the intersection of the westerly boundary of the United States Bureau of Reclamation (USBR) Tehama-Colusa Canal Service Area (as shown on the USBR map of

the Sacramento River Division, Sacramento Canals Unit, California, Tehama-Colusa Canal Service Area, including Sacramento River Water Districts [dated September 11, 1969, Rev. 9-82, drawing #602-208-1766]), thence northerly and westerly along that boundary until it intersects the ridge separating the Stony Creek and Colusa Basin watersheds approximately four miles east of Orland, except that where Colusa Basin water, irrigation, reclamation, or drainage district boundaries or the Tehama-Colusa Canal are west of the USBR Service Area boundary, that the westernmost boundary of either will prevail, thence along the ridge separating lands that are tributary to the Colusa Basin from those tributary to Stony Creek or the Sacramento River to where the ridge intersects the northernmost end of the westerly or right bank levee of the Sacramento River near the town of Ordbend, thence southerly along the westerly or right bank levee of the Sacramento River to the Knights Landing Outfall Gates, thence along the southerly bank of the Colusa Basin Drain to the northerly end of the Knights Landing Ridge Cut, thence along the easterly bank of the Knights Landing Ridge Cut to the State Highway Route 113 bridge. The assessors of Glenn, Colusa, and Yolo Counties shall conform the boundary of the district to the boundaries nearest the exterior watershed boundary, as described above, of the assessment parcels lying totally within the watershed and situated nearest to that exterior boundary, except as to the easterly boundary which shall be the westerly or right bank levee of the Sacramento River. Each county assessor shall, within a reasonable time after January 1, 1988, hold a hearing within the respective county for the purpose of conforming the district boundary to the assessment parcel boundaries as provided herein. Notice shall be published once a week for two successive weeks in a newspaper of general circulation within the county stating that a hearing will be held for the purpose of conforming the district boundary to the boundaries of the nearest assessment parcels. Notice shall also be given by mail at least two weeks prior to the hearing to the owners of those assessment parcels within the respective county directly affected by this conformance, mailed to the address shown on the records of the assessor. At the hearing, the assessor shall present a map showing the proposed boundary as conformed to the boundaries of the nearest assessment parcels, and shall hear any objections which may be made to that boundary. Following the hearing the assessor shall describe the precise boundary of the district as conformed to the nearest assessment parcels, and shall record in the records of that particular county the description of the boundary of the district within that county, including the westerly or right bank levee of the Sacramento River as the most easterly boundary. The costs of notice, hearing, and preparation of the description shall be included as formation costs of the district.

SEC. 4. Section 201 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 201. (a) One director each shall be appointed by the Board

of Supervisors of Colusa County, the Board of Supervisors of Glenn County, and the Board of Supervisors of Yolo County.

(b) The three directors initially appointed shall determine, by lot, the expiration dates for their initial terms. The terms of two directors shall expire on January 1, 1990, and the term of the other director shall expire on January 1, 1992. The terms shall expire on January 1 of the respective even-numbered year thereafter.

SEC. 5. Section 202 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 202. (a) Three directors shall be selected by the governing boards of the water, irrigation, reclamation, and drainage districts located, in whole or in part, within the district. One director shall be selected from each of the three divisions described in subdivision (a) of Section 203.

(b) Except as provided in subdivision (c), prior to January 1 of each even-numbered year, representatives of all those districts shall, after notice by the district, convene for the purpose of selecting three directors. Each district shall have one vote to be cast by a proxy designated by resolution of the governing board of that district and may vote for the representative of the division in which a majority of the land within the district authorizing the proxy is located. A majority of the votes cast in the respective divisions shall be required for selection of the director from that division.

(c) The initial three directors shall be selected not later than September 15, 1988. The meeting to make these selections shall be convened by the Director of Water Resources or his or her representative.

(d) The three directors initially selected shall determine, by lot, the expiration dates for their initial terms. The term of one director shall expire on January 1, 1990, and the terms of the other two directors shall expire on January 1, 1992.

SEC. 6. Section 205 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 205. Except for the initial directors, the directors shall serve for terms of four years. The terms shall be concurrent with the terms of district officials elected under the Uniform District Election Law. A candidate for appointment or election to the board shall be an eligible voter, as defined by Section 41.

SEC. 7. Section 521 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 521. Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the district, pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

The hearing may be consolidated with a hearing on any other proposal affecting the same area. At the time and place so fixed, or at any time or place to which the hearing is continued, the board shall hold the hearing provided for by the resolution, at which time any

interested person may appear and be heard concerning any matter set forth in the resolution or any matter material thereto.

Upon the conclusion of the hearing, the board may abandon the proposal, or order the election on the proposal within the area affected. If prior to the conclusion of the hearing, or any continued hearing, written protest against the proposal signed by a majority in number of the eligible voters within the area determined to be benefited pursuant to Section 520 are filed with the board, further proceedings relating to the proposal shall be suspended for not less than six months following the date of the conclusion of the hearing.

If there is a majority protest, the board shall not proceed with the proposal before holding an election within the affected area. A majority of the votes cast at the election shall be required to approve the proposal to issue the bonds.

SEC. 8. Section 700 of the Colusa Basin Drainage District Act (Chapter 1399 of the Statutes of 1987) is amended to read:

Sec. 700. The district may levy benefit assessments on a districtwide basis or within any zone, upon land only, as follows:

(a) An initial assessment for district expenses may be levied on the basis of an equal amount per acre as shown on the county assessment rolls, but not to exceed ten cents ($0.10) per acre. It is hereby declared for that purpose that the benefit of district activities is received equally by all land. This initial assessment may be levied annually in lieu of the assessments specified in subdivisions (b) and (c) until a plan has been approved pursuant to Section 610.

(b) A benefit assessment pursuant to this part, based upon the respective acreages of the lands assessed and the categories and land use factors as set forth in Section 701 for the purpose of preparing the initial plan described in Section 610, except that the assessment to finance the initial plan may not be utilized for more than five years from the organization of the full board and may not be imposed in an amount which would exceed ten cents ($0.10) per unirrigable acre per year.

(c) Annual assessments pursuant to Sections 703 to 708, inclusive.

CHAPTER 417

An act to amend Section 2 of Chapter 1497 of the Statutes of 1988, relating to child abuse, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2 of Chapter 1497 of the Statutes of 1988 is amended to read:

Sec. 2. The Department of Justice shall conduct a study on the appropriateness of purging from the index it maintains pursuant to Section 11170 of the Penal Code all unsubstantiated reports of child abuse, as defined in Section 11165.6 of the Penal Code, or neglect, as defined in Section 11165.2 of the Penal Code, if after five consecutive years, or some other reasonable time period there have been no additional reports of suspected child abuse or neglect by that party. The study also shall include the advantages and disadvantages of advising persons that their names are on the index, how they are categorized on the index, the names of the agencies that reported them to the department, and the procedure, if any, by which they may have their names removed from the index. The study shall also include a recommendation which defines the categories of "substantiated," "unsubstantiated," and "unfounded" reports of child abuse and neglect, and a discussion of the basis for the recommendation. The department shall consult with a wide array of interested parties, including, but not limited to, child protective agencies, child abuse prevention councils, child/parents advocates, teachers, and day-care providers. The department shall report the results of the study to the Legislature on or before January 1, 1990.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Department of Justice consult with teachers in conducting the study on the appropriateness of purging all unsubstantiated reports of child abuse and neglect from the index the department maintains of all reports of child abuse submitted by child protective agencies, it is necessary that this act go into effect immediately.

CHAPTER 418

An act to amend Sections 700.01, 700.05, 10510, 10511, and 10512 of the Insurance Code, relating to insurance.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 700.01 of the Insurance Code is amended to read:

700.01. In addition to any or all of the classes of insurance which it is permitted to transact by all other applicable provisions of this code, any incorporated insurer admitted or hereafter admitted for one or more of the classes of insurance stated in Section 100, except life, title, mortgage, or mortgage guaranty shall (subject to any

limitations contained in its articles of incorporation or charter) be admitted after January 1, 1990, for any or all of the following classes, upon making application therefor and complying with all applicable requirements of law, if its paid-in capital is not less than two million six hundred thousand dollars ($2,600,000) or the aggregate of the amounts hereinafter set forth opposite the classes transacted by it in the United States if an alien insurer, or in any jurisdiction if other than an alien insurer, whichever is lower; provided, that the paid-in capital of incorporated insurers not transacting either fire, marine or surety insurance making application under this section shall be at least three hundred thousand dollars ($300,000) in excess of that aggregate amount. In no event shall any incorporated insurer, as a condition for its admission, be permitted to have a paid-in capital of less than one million dollars ($1,000,000) or be required to have a paid-in capital in excess of two million six hundred thousand dollars ($2,600,000) for any or all of the classes of insurance hereinafter set forth.

Number and name of class	Amount of capital
2. Fire	$350,000
3. Marine	350,000
5. Surety	350,000
6. Disability	250,000
7. Plate glass	100,000
8. Liability 9. Workers' compensation 10. Common carrier liability	300,000 for any or all of these
11. Boiler and machinery	100,000
12. Burglary	100,000
13. Credit	100,000
14. Sprinkler	100,000
15. Team and vehicle	100,000
16. Automobile	200,000
18. Aircraft	100,000
20. Miscellaneous	100,000

This section shall not be applicable to life, title, mortgage, or mortgage guaranty insurance, and an insurer now or hereafter admitted to transact life, title, mortgage, or mortgage guaranty insurance shall not be admitted under the provisions of this section, but its admission is governed by other applicable provisions of this code.

Insurers admitted for one or more classes of insurance on December 31, 1989, shall be governed by the provisions of this section in effect as of December 31, 1989, until December 31, 1999. After December 31, 1999, all insurers governed by this section shall

meet the capital requirements of this section as become effective January 1, 1990. Insurers admitted for one or more classes of insurance on December 31, 1989, that thereafter amend their certificate of authority to add a class or classes of insurance shall become subject to the capital requirements of this section.

SEC. 2. Section 700.05 of the Insurance Code is amended to read:

700.05. (a) In determining the minimum amount of paid-in capital and surplus required by the applicable provisions of this code for admission of an insurer, there shall be included all of the classes of insurance transacted by it in the United States if an alien insurer, or in any jurisdiction if other than an alien insurer; provided, that life, title, mortgage or mortgage guaranty insurance shall not be included among the classes of insurance in determining the minimum amount of paid-in capital and surplus required if the minimum paid-in capital is two million six hundred thousand dollars ($2,600,000) or more, and if the paid-in capital is less than two million six hundred thousand dollars ($2,600,000) the minimum shall be measured by adding to the amounts set forth in Section 700.01 two million two hundred fifty thousand dollars ($2,250,000) for life insurance, two hundred fifty thousand dollars ($250,000) for mortgage insurance, one million dollars ($1,000,000) for mortgage guaranty insurance and two hundred fifty thousand dollars ($250,000) for title insurance.

In applying such provisions, it shall be conclusively presumed that an insurer transacts all classes of insurance for which it is or seeks to be admitted to transact in this state.

(b) As used in this section, "insurer" includes a reciprocal or interinsurance exchange and its attorney in fact.

SEC. 3. Section 10510 of the Insurance Code is amended to read:

10510. An incorporated life insurer issuing policies on the reserve basis shall not transact life insurance in this state unless it has a paid-in capital of at least two million two hundred fifty thousand dollars ($2,250,000) plus the surplus required by Section 700.02 and Section 700.05.

SEC. 4. Section 10511 of the Insurance Code is amended to read:

10511. If authorized by its charter, such an incorporated life insurer may, except as provided in Section 700.03, transact, in addition to life insurance, any of the following classes of insurance if its total paid-in capital is at least two million two hundred fifty thousand dollars ($2,250,000) in excess of the sum of the amounts set forth opposite the classes of insurance transacted:

Number and name of class transacted		Amount of capital to be added
6. Disability	.....	$250,000
8. Liability 9. Workers' compensation 10. Common carrier liability	.....	300,000 for all or any of them

SEC. 5. Section 10512 of the Insurance Code is amended to read:

10512. An insurer holding a certificate of authority for life insurance and any other proper class on December 31, 1989, shall be governed by the provisions of Section 700.05, 10510, and 10511 in effect on December 31, 1989, until December 31, 1999. After December 31, 1999, any insurer holding a certificate of authority for life insurance and any other proper class shall meet the capital requirement of Sections 10510 and 10511 as become effective January 1, 1990.

CHAPTER 419

An act to add Section 2780.5 to the Penal Code, and to amend Section 1760.4 of the Welfare and Institutions Code, relating to crimes.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2780.5 is added to the Penal Code, to read:

2780.5. The Director of Corrections may, during declared fire emergencies, allow the Director of the Department of Forestry and Fire Protection to use prisoners for fire suppression efforts outside of the boundaries of California, not to exceed a distance in excess of 25 miles from the California border, along the borders of Oregon, Nevada, or Arizona.

SEC. 2. Section 1760.4 of the Welfare and Institutions Code is amended to read:

1760.4. (a) The wards housed in forestry camps established by the Department of the Youth Authority may be required to labor on the buildings and grounds of the camp, on the making of forest roads for fire prevention or firefighting, on forestation or reforestation of public lands, or on the making of firetrails and firebreaks, or to perform any other work or engage in any studies or activities prescribed or permitted by the department or any officer designated by it.

(b) The wards may be required to labor in fire suppression if all of the following conditions are met:

(1) The ward is under the age of 18 years and the parent or guardian of the ward has given permission for that labor by the ward, or the ward is 18 years of age or over.

(2) The ward has received not less than 16 hours of training in forest firefighting and fire safety.

The department may, during declared fire emergencies, allow the Director of the Department of Forestry and Fire Protection to use the wards for fire suppression efforts outside of the boundaries of California, not to exceed a distance in excess of 25 miles from the California border, along the borders of Oregon, Nevada, or Arizona.

(c) The department may provide, in cooperation with the Department of Parks and Recreation and the Department of Conservation or otherwise, for the payment of wages to the wards for work they do while housed on the camps, the sums earned to be paid in reparation, or to the parents or dependents of the ward, or to the ward in any manner and in any proportions as the Department of the Youth Authority directs

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CHAPTER 420

An act to amend Sections 25368.3, 25368.6, and 25368.8 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25368.3 of the Health and Safety Code is amended to read:

25368.3. The department shall identify hazardous substance release sites, listed pursuant to Section 25356, that are particularly well-suited for technology demonstration projects. In identifying hazardous substance release sites, the department shall consider, at a minimum, all of the following:

(a) The state's priority ranking for removal and remedial actions to hazardous substance release sites adopted pursuant to Section 25356.

(b) The volume and variability of the hazardous substance release at the site.

(c) The availability of data characterizing the hazardous substance release.

(d) The accessibility of the hazardous substance release.

(e) Availability of required utilities.

(f) Support of federal and local governments.

(g) Potential for adverse effects to public health and the

environment.

SEC. 2. Section 25368.6 of the Health and Safety Code is amended to read:

25368.6. Notwithstanding Section 25360, if the department determines that using an alternative treatment technology to conduct a removal or remedial action at a hazardous substance release site listed pursuant to paragraph (2) or (3) of subdivision (b) of Section 25356 would be more costly than another available and feasible removal or remedial action method that would also achieve satisfactory results, the department may determine not to attempt to recover from the liable person the incremental costs of the removal or remedial action attributable to the alternative treatment technology.

SEC. 3. Section 25368.8 of the Health and Safety Code is amended to read:

25368.8. Notwithstanding paragraph (5) of subdivision (c) of Section 25356.1, when preparing or approving a remedial action plan for a site listed pursuant to paragraph (2) or (3) of subdivision (b) of Section 25356, which has been selected for a treatment demonstration project pursuant to this article, the department shall consider the cost effectiveness of the project but is not required to choose the most cost-effective measure.

CHAPTER 421

An act to amend Section 14087.6 of the Welfare and Institutions Code, and to amend Section 3 of Chapter 981 of the Statutes of 1988, relating to hospitals, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14087.6 of the Welfare and Institutions Code is amended to read:

14087.6. A county which has contracted for the provision of services pursuant to this article may provide the services directly to recipients, or arrange for any or all of the services to be provided by subcontracting with primary care providers, health maintenance organizations, insurance carriers, or other entities or individuals. The subcontracts may utilize a prospectively negotiated reimbursement rate, fee-for-service, retainer, capitation, or other basis for payment. The rate of payment established under the contract shall not exceed the total per capita amount which the department estimates would be payable for all services and requirements covered under the contract if all these services and requirements were to be furnished

Medi-Cal beneficiaries under the Medi-Cal fee-for-service program.

Counties which are responsible for providing health care under this chapter shall make efforts to utilize existing health service resources where these resources can be estimated by the county to result in lower total long-term costs and accessibility quality care to persons served under this chapter. The granting of a certificate of need pursuant to the criteria set forth in Section 437.12 of the Health and Safety Code or a certificate of exemption pursuant to the criteria set forth in Section 437.11 of the Health and Safety Code shall satisfy the intent of this provision.

SEC. 2. Section 3 of Chapter 981 of the Statutes of 1988 is amended to read:

Sec. 3. The California Medical Assistance Commission is hereby authorized to negotiate contract rate increases not to exceed an annualized amount of fifty million dollars ($50,000,000) total funds for additional reimbursement to disproportionate share hospitals which operate basic emergency rooms and to other disproportionate share hospitals, including those disproportionate share hospitals which contract with a health system organized and operated by the county, as required by the federal Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203) as implemented by the State Medicaid Plan and as otherwise determined by the California Medical Assistance Commission Any county organized health system shall provide all necessary hospital utilization data, as determined by the California Medical Assistance Commission, to establish disproportionate share hospital status as provided in the state plan. The State Department of Health Services shall make all disproportionate share payments to all designated disproportionate share hospitals according to the state plan.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that hospitals affected by this act may receive timely and effective funding pursuant to the amendment of the state's Medicaid plan, as required by the federal Omnibus Budget Reconciliation Act of 1987, and as approved by the federal Health Care Financing

Administration, it is necessary that this act take effect immediately.

CHAPTER 422

An act to amend Section 11019.5 of the Government Code, relating to county government finance.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11019.5 of the Government Code is amended to read:

11019.5. (a) Notwithstanding any other provision of law, but to the extent consistent with applicable federal law or regulation, any state department and the Controller pursuant to subdivision (b) of Section 15202, after receiving a request by a board of supervisors of an affected county which has a population of 150,000 or less as of January 1, 1983, and upon determining that advance payment is essential to the effective implementation of a particular program, and further to the extent that funds are available, and not more frequently than once each month, may advance to the county an amount not to exceed one-twelfth of the annual allocations, subventions, or reimbursements required for the delivery of services by a county.

(b) The director of each department and the Controller shall promulgate regulations or guidelines and a plan to establish control procedures to define the scope of operational information required from a county in order to guarantee advance payments pursuant to this section. No county may receive an advance payment unless the county has complied with the provisions of the department's plan and regulations. Each department plan shall be approved by the Department of Finance prior to its implementation.

(c) Claim schedules for advance payments shall be presented to the appropriate department in the manner prescribed by the department. Payment of claims shall be made within 60 days after a claim is received by the department.

(d) Each department and the Controller shall review periodically and adjust advances to actual expenditures for the claim period. Additionally, each department and the Controller shall take into consideration the timing of the implementation of new programs in the computation of advances. The authority contained in this chapter shall not supersede or limit any other provision of law authorizing the state to conduct required audits of claims transactions.

(e) A county, upon determining that an advance payment is essential for the effective implementation of a particular program, to the extent funds are available, and not more frequently than once

each month, may advance to other affected local public agencies located within its jurisdiction (i.e., school districts, special districts, cities, etc.) an amount not to exceed one-twelfth of the annual allocations, reimbursements, or subventions required for the delivery of services pursuant to related state and federal laws.

(f) This section does not apply to the State Department of Social Services.

CHAPTER 423

An act to amend Section 2097 of the Fish and Game Code, relating to endangered and threatened species.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2097 of the Fish and Game Code is amended to read:

2097. This article shall remain in effect only until January 1, 1994, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1994, deletes or extends that date.

CHAPTER 424

An act to add Section 68077 to the Education Code, relating to postsecondary education.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 68077 is added to the Education Code, to read:

68077. (a) Notwithstanding Section 68062, a student who is a graduate of any school located in California that is operated by the United States Bureau of Indian Affairs, including, but not limited to, the Sherman Indian High School, shall be entitled to resident classification. This exception shall continue so long as continous attendance is maintained by the student at an institution.

(b) No provision of this section shall apply to the University of California unless the Regents of the University of Calfornia adopt a resolution to that effect.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act

contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 425

An act to add Section 2064.2 to the Business and Professions Code, relating to the practice of medicine.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows.

SECTION 1. Section 2064.2 is added to the Business and Professions Code, to read:

2064.2. No medical school or clinical training program shall deny access to elective clerkships or preceptorships in any medical school or clinical training program in this state solely on the basis that a student is enrolled in an osteopathic medical school.

Any violation of this section or Section 2064.1 may be enjoined in an action brought in the name of the people of the State of California by the district attorney of the county in which the violation occurs, upon receipt of a complaint by an aggrieved student.

CHAPTER 426

An act to add Section 21339.1 to the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature that this act not impact employer contribution rates.

SEC. 2. Section 21339.1 is added to the Government Code, to read:

21339.1. A member who elected to receive optional settlement 2

or optional settlement 3, involving life contingency of the beneficiary, and whose designated beneficiary was his or her spouse, may, if his or her spouse predeceases the member, elect to have, as of the date of election, the allowance which would be payable had the member not elected to receive an optional settlement involving a life contingency of the beneficiary, payable for the remainder of his or her lifetime. The election shall be made within 12 months following the spouse's death. If a member who has retired prior to January 1, 1990, elects this section on or after January 1, 1990, his or her new allowance shall be subject to an actuarial reduction. This section shall not apply to a member whose spouse died prior to January 1, 1990.

CHAPTER 427

An act to add Section 75060.3 to the Government Code, relating to judges' retirement.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 75060.3 is added to the Government Code, to read:

75060.3. (a) The Commission on Judicial Performance shall annually submit to the Governor and the Legislature a report on the incidence of ordered, requested, and granted disability retirements in the preceding fiscal year.

(b) The report shall include the following:

(1) The number of years the affected judges have served as a judge on the date of receipt of the application for disability retirement and on the effective date of the disability retirement.

(2) The age of the judge on the date of receipt of the application for disability retirement and on the effective date of his or her disability retirement.

(3) The physical or mental impairment which was the basis for the application by the judge for disability retirement, for the granted disability retirement, or for the ordered disability retirement, using the following categories to describe these impairments:

(A) Orthopedic.

(B) Psychological.

(C) Cardio-vascular.

(D) Internal.

(E) Neurological.

(F) Other.

(4) Any other information deemed relevant by the Commission on Judicial Performance.

CHAPTER 428

An act to add Section 34501.1 to the Vehicle Code, relating to vehicles.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 34501.1 is added to the Vehicle Code, to read:

34501.1. A manufacturer or distributor of wheelchair lifts for buses, schoolbuses, youth buses, and general public transit vehicles, regardless of capacity, shall, prior to the distribution of the wheelchair lift model in California, provide to the Department of the California Highway Patrol proof of certification from an independent laboratory or registered mechanical engineer of this state that the wheelchair lift model complies with the California and any federal law and the regulations adopted pursuant thereto.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 429

An act to add Part 6 (commencing with Section 14200) to Division 3 of Title 1 of the Corporations Code, relating to employee-owned businesses.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Part 6 (commencing with Section 14200) is added to Division 3 of Title 1 of the Corporations Code, to read:

PART 6. EMPLOYEE-OWNED BUSINESSES

14200. The Legislature finds and declares that the formation of employee-owned businesses and the participation of employees in the management of businesses in this state will promote the stabilization of local economies, anchor business activity, and increase productivity. The Legislature further finds that the encouragement of employee-owned businesses will increase and broaden community investments in this state and encourage new capital formation through employee ownership.

14202. The Department of Commerce shall assist other public agencies, nonprofit corporations, or foundations in the development and facilitation of employee-owned businesses. In support of this activity the Department of Commerce shall do each of the following:

(a) Compile, organize, and make available to the public a library of resources on the subject of employee ownership.

(b) Provide public education on the beneficial aspects of employee-owned businesses and employee participation in business management.

(c) Promote the research of issues relative to the innovative utilization of employee ownership and participation for the purpose of local economic development.

(d) Provide or facilitate the provision of technical assistance on the establishment and successful management of employee-owned businesses.

(e) Promote and participate in seminars, workshops, and conferences to increase awareness especially of professional, private, and public sectors important to economic development and business assistance, of the benefits found to be common to employee-owned businesses.

CHAPTER 430

An act to add Section 5.9 to the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to county water authorities.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 5.9 is added to the County Water Authority Act (Chapter 545 of the Statutes of 1943), to read:

Sec. 5.9. An authority may fix and impose connection charges and capacity charges upon each public agency, the area of which is included within the authority, or upon the ultimate users of water delivered by the authority to the public agency. If imposed upon the

ultimate users of water, an authority may require the public agency to collect the charges on behalf of the authority. If an authority requires collection, the authority shall reimburse the public agency for all reasonable costs incurred in collecting those charges.

Any capacity charge proposed to be imposed upon an ultimate user of water is subject to Chapter 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 431

An act to amend Section 10501.5 of, to repeal Sections 2188 and 2191 of, and to repeal and add Section 2189 of, the Fish and Game Code, relating to wildlife, and making an appropriation therefor.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2188 of the Fish and Game Code is repealed.

SEC. 2. Section 2189 of the Fish and Game Code is repealed.

SEC. 3. Section 2189 is added to the Fish and Game Code, to read:

2189. (a) No person shall import into this state any live nonnative wild animal except pursuant to this chapter or regulations adopted pursuant thereto.

(b) Any live nonnative wild animal which is possessed or transported within this state in violation of this chapter or regulations adopted pursuant thereto shall, upon notice of and within the time specified by the enforcing officer, be disposed of in accordance with regulations adopted pursuant to Section 2122, at the option and expense of the owner or bailee.

(c) Any live, nonnative wild animal found at large within this state shall be either summarily destroyed or, if captured, shall be confined for not less than 72 hours following notification of the local humane society.

(d) If during the 72-hour holding period, any person claims ownership of the animal, that person shall be allowed to dispose of the animal pursuant to subdivision (b) and this shall be the person's only option.

(e) After the 72-hour holding period, if the animal is unclaimed,

it shall be disposed of in accordance with regulations adopted pursuant to Section 2122 unless the animal is listed as a threatened or endangered species by either state or federal regulation. If the animal is listed as a threatened or endangered species in either regulation, the department shall be notified of the animal's location and the department shall be responsible for proper disposition.

SEC. 4. Section 2191 of the Fish and Game Code is repealed.

SEC. 5. Section 10501.5 of the Fish and Game Code is amended to read:

10501.5. (a) It is unlawful to fly any aircraft, including any airplane or helicopter, less than 3,000 feet above water or land over the Sespe Condor Sanctuary, and less than 1,000 feet above water or land over the Año Nuevo State Reserve, the Farallon Islands Game Refuge, the Point Lobos State Reserve, the California Sea Otter Game Refuge, and Anacapa, San Miguel, Santa Barbara, and San Nicolas Islands, except for rescue operations, in case of any emergency, or for scientific or filmmaking purposes under a permit issued by the department after a review of potential biological impacts.

(b) This section does not apply to the landing of any aircraft, including any airplane or helicopter, on Anacapa, San Miguel, Santa Barbara, San Nicolas, and Farallon Islands for administrative or operational purposes of the National Park Service, the United States Navy, or the United States Coast Guard.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 432

An act to amend Section 25283 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 25283 of the Health and Safety Code is amended to read:

25283. (a) Every county shall implement this chapter pursuant

to the regulations adopted by the board. A city may, by ordinance, assume responsibility for the implementation of this chapter pursuant to the regulations adopted by the board and, if so, shall have exclusive jurisdiction within the boundary of the city for the purposes of carrying out this chapter.

(b) A city shall notify the county on or before July 1, 1990, of its intentions to assume responsibility for implementation of this chapter. For a city which assumes responsibility for implementation of this chapter after January 1, 1990, the county shall have until July 1, 1991, to transfer responsibility for the enforcement program to the city unless an earlier date is mutually agreed upon by the county and city. The ordinance adopted by the city shall comply with this chapter, applicable federal law, and regulations and guidelines adopted pursuant thereto. A county shall designate a department, office, or other agency of that county as the local agency responsible for administering and enforcing this chapter, and a city which assumes responsibility for implementing this chapter shall also make a similar designation.

(c) Revenue from fees collected by the county pursuant to this chapter shall be prorated between the city and county based upon when the city assumes responsibility for implementation of this chapter.

CHAPTER 433

An act to amend Section 2555 of the Business and Professions Code, relating to registered dispensing opticians.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2555 of the Business and Professions Code is amended to read:

2555. Certificates issued hereunder may in the discretion of the division be suspended or revoked or subjected to terms and conditions of probation for violating or attempting to violate this chapter, Chapter 5.4 (commencing with Section 2540) or any regulation adopted under this chapter or, Chapter 5.4 (commencing with Section 2540), or Section 651, 654, or 655, or for incompetence, gross negligence, or repeated similar negligent acts performed by the registrant or by an employee of the registrant. The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the division shall have all the powers granted therein.

CHAPTER 434

An act relating to residential care for the elderly, and making an appropriation therefor.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that California's system of fostering and monitoring residential care facilities for our rapidly increasing population of frail elderly and disabled adults has resulted in an uneven and unacceptable standard of care. According to estimates provided by long-term care ombudsmen in various counties, from 20 to 50 percent of residential care facilities for the elderly have been categorized as "substandard and unlivable." As recommended by the Little Hoover Commission in the Report on Community Residential Care for the Elderly, January 1989, one of the most direct paths to upgrading the quality of residential care is to require certification of onsite administrative personnel. It is in the state's interest to act upon this recommendation.

SEC. 2. (a) The State Department of Social Services shall perform a study to determine the appropriate state administrative structure to certify administrators of residential care facilities for the elderly. The study shall address administrator qualifications and experience, including minimum hours of classroom instruction and a uniform core of knowledge, and shall determine a means for testing knowledge and a process for approving programs. The study shall also address minimum education and training requirements for residential care facility for the elderly personnel who provide direct care and supervision to residents. An advisory committee shall be established by the department to provide guidance and assistance and to review the department's conclusions. The advisory committee shall include representatives from residential care facility for the elderly providers, consumers, and the State Departments of Social Services, Consumer Affairs, Aging, Mental Health, and Developmental Services. The State Department of Social Services shall submit a report to the Legislature on or before December 1, 1990, on the findings of the study. The report shall include information specified in the Department of Consumer Affairs' Sunrise Model report and shall identify an appropriate state agency to carry out the administration of the certification process. It is the intent of the Legislature that, subsequent to the receipt of this report by the Legislature, legislation be enacted for the establishment of residential care for the elderly administrator certification requirements. The study shall be funded in accordance with subdivision (b).

(b) There is hereby established in the State Treasury the

Residential Care Facility for the Elderly Administrative Certification Fund. All money in the fund shall be used to perform the study required by subdivision (a). Notwithstanding Section 13340 of the Government Code, all moneys deposited in the Residential Care Facility for the Elderly Administrative Certification Fund are continuously appropriated to the State Department of Social Services without regard to fiscal years for the purposes of the fund.

Notwithstanding Section 1569.18 of the Health and Safety Code, fees collected for the application for and the renewal of residential care facility for the elderly licenses shall be credited to the Residential Care Facility for the Elderly Administrative Certification Fund up to an amount not to exceed one hundred thousand dollars ($100,000).

Any moneys deposited in the Residential Care Facility for the Elderly Administrative Certification Fund which remain unexpended on the date that the study required by this section is submitted to the Legislature shall be expended in accordance with Section 1569.18 of the Health and Safety Code.

(c) This section shall remain in effect only until July 1, 1991, and as of that date is repealed, unless a later enacted statute chaptered prior to July 1, 1991, deletes or extends that date.

CHAPTER 435

An act relating to the Department of Transportation.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares that in 1988, the Department of Transportation initiated a Feederbus Demonstration Program, relating to Caltrain. The purpose of the program is to improve travel opportunities, train ridership, and financial performance of the San Francisco-San Jose commuter rail service by linking Caltrain to various employment centers by feederbus service provided by private bus operators at no additional charge to participating commuters.

(b) The Department of Transportation shall include an evaluation of the Feederbus Demonstration Program in the rail passenger development plan prepared for submission in 1991 pursuant to Section 14036 of the Government Code. The department shall submit the evaluation to the Metropolitan Transportation Commission for its review and comment on or before September 1, 1990. The department shall either incorporate the review and comments of the Metropolitan Transportation Commission in its evaluation of the Feederbus Demonstration Program in the rail

passenger development plan submitted to the California Transportation Commission on or before January 1, 1991, or include the comments of the Metropolitan Transportation Commission in that plan as a separate item. The evaluation shall include, but not be limited to, all of the following:

(1) The cost effectiveness of the demonstration program.

(2) Whether the demonstration program has resulted in increased patronage of Caltrain.

(3) Recommendations as to whether the demonstration program can efficiently be continued or expanded, or both.

(4) Whether feederbus services would be more efficiently and effectively provided by private bus operators or public bus operators, or a combination of both.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 436

An act to add Section 1689.2 to the Civil Code, and to amend Section 327 of the Penal Code, relating to endless chain schemes.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1689.2 is added to the Civil Code, to read:

1689.2. A participant in an endless chain scheme, as defined in Section 327 of the Penal Code, may rescind the contract upon which the scheme is based, and may recover all consideration paid pursuant to the scheme, less any amounts paid or consideration provided to the participant pursuant to the scheme. In addition, the court may, upon motion, award reasonable attorney's fees to a prevailing plaintiff.

SEC. 2. Section 327 of the Penal Code is amended to read:

327. Every person who contrives, prepares, sets up, proposes, or operates any endless chain is guilty of a public offense, and is punishable by imprisonment in the county jail not exceeding one

year or in state prison for 16 months, two, or three years.

As used in this section, an "endless chain" means any scheme for the disposal or distribution of property whereby a participant pays a valuable consideration for the chance to receive compensation for introducing one or more additional persons into participation in the scheme or for the chance to receive compensation when a person introduced by the participant introduces a new participant. Compensation, as used in this section, does not mean or include payment based upon sales made to persons who are not participants in the scheme and who are not purchasing in order to participate in the scheme.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 437

An act to amend Section 8105 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8105 of the Revenue and Taxation Code is amended to read:

8105. All applications for refund under Section 8101 based upon exportation of motor vehicle fuel from this state shall be filed with the Controller within the later of three months after the close of the calendar month in which the fuel is exported or 13 months from the date of the purchase of the fuel. All other applications for refund provided under this article, except where an extension of time has been granted, shall be filed within 13 months from the date of the purchase of the motor vehicle fuel. Any application filed after the time prescribed shall not be considered for any purpose by the Controller, the Treasurer, or the state.

CHAPTER 438

An act to amend Sections 1702, 2110, and 2111 of the Corporations Code, relating to corporations.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1702 of the Corporations Code is amended to read:

1702. (a) If an agent for the purpose of service of process has resigned and has not been replaced or if the agent designated cannot with reasonable diligence be found at the address designated for personally delivering the process, or if no agent has been designated, and it is shown by affidavit to the satisfaction of the court that process against a domestic corporation cannot be served with reasonable diligence upon the designated agent by hand in the manner provided in Section 415.10, subdivision (a) of Section 415.20 or subdivision (a) of Section 415.30 of the Code of Civil Procedure or upon the corporation in the manner provided in subdivision (a), (b) or (c) of Section 416.10 or subdivision (a) of Section 416.20 of the Code of Civil Procedure, the court may make an order that the service be made upon the corporation by delivering by hand to the Secretary of State, or to any person employed in the Secretary of State's office in the capacity of assistant or deputy, one copy of the process for each defendant to be served, together with a copy of the order authorizing such service. Service in this manner is deemed complete on the 10th day after delivery of the process to the Secretary of State.

(b) Upon the receipt of any such copy of process and the fee therefor, the Secretary of State shall give notice of the service of the process to the corporation at its principal executive office, by forwarding to such office, by registered mail with request for return receipt, the copy of the process or, if the records of the Secretary of State do not disclose an address for its principal executive office, by forwarding such copy in the same manner to the last designated agent for service of process who has not resigned. If the agent for service of process has resigned and has not been replaced and the records of the Secretary of State do not disclose an address for its principal executive office, no action need be taken by the Secretary of State.

(c) The Secretary of State shall keep a record of all process served upon the Secretary of State under this chapter and shall record therein the time of service and the Secretary of State's action with reference thereto. The certificate of the Secretary of State, under the Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the corporation and the forwarding of

such process pursuant to this section, shall be competent and prima facie evidence of the matters stated therein.

(d) The court order pursuant to subdivision (a) that service of process be made upon the corporation by delivery to the Secretary of State may be a court order of a court of another state, or of any federal court if the suit, action, or proceeding has been filed in that court.

SEC. 2. Section 2110 of the Corporations Code is amended to read:

2110. Delivery by hand of a copy of any process against a foreign corporation (a) to any officer of the corporation or its general manager in this state, or if the corporation is a bank to a cashier or an assistant cashier, (b) to any natural person designated by it as agent for the service of process, or (c), if the corporation has designated a corporate agent, to any person named in the latest certificate of the corporate agent filed pursuant to Section 1505 shall constitute valid service on the corporation. A copy of the statement and designation, or a copy of the latest statement filed pursuant to Section 2117, certified by the Secretary of State, is sufficient evidence of the appointment of an agent for the service of process.

SEC. 3. Section 2111 of the Corporations Code is amended to read:

2111. (a) If the agent designated for the service of process is a natural person and cannot be found with due diligence at the address stated in the designation or if the agent is a corporation and no person can be found with due diligence to whom the delivery authorized by Section 2110 may be made for the purpose of delivery to the corporate agent, or if the agent designated is no longer authorized to act, or if no agent has been designated and if no one of the officers or agents of the corporation specified in Section 2110 can be found after diligent search and it is so shown by affidavit to the satisfaction of the court, then the court may make an order that service be made by personal delivery to the Secretary of State or to an assistant or deputy secretary of state of two copies of the process together with two copies of the order, except that if the corporation to be served has not filed the statement required to be filed by Section 2105 then only one copy of the process and order need be delivered but the order shall include and set forth an address to which the process shall be sent by the Secretary of State. Service in this manner is deemed complete on the 10th day after delivery of the process to the Secretary of State.

(b) Upon receipt of the process and order and the fee therefor the Secretary of State forthwith shall give notice to the corporation of the service of the process by forwarding by registered or certified mail, with request for return receipt, a copy of the process and order to the address specified in the order if the corporation has not filed the statement required by Section 2105 or to the two stated addresses of the corporation set forth in the latest statement filed pursuant to Section 2105 or 2117, or if only one address is set forth in the latest

statement, to the sole stated address of the corporation.

(c) The Secretary of State shall keep a record of all process served upon the Secretary of State and shall record therein the time of service and the Secretary of State's action with respect thereto. The certificate of the Secretary of State, under the Secretary of State's official seal, certifying to the receipt of process, the giving of notice thereof to the corporation, and the forwarding of the process pursuant to this section, shall be competent and prima facie evidence of the matters stated therein.

CHAPTER 439

An act to amend Sections 12200, 12201, 12202, 12204, 12205, 12210, and 12211 of the Government Code, and to amend Section 603 of the Harbors and Navigation Code, relating to fees.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 12200 of the Government Code is amended to read:

12200. The fee for filing articles of incorporation not providing for shares is thirty dollars ($30).

SEC. 2. Section 12201 of the Government Code is amended to read:

12201. The fee for filing articles of incorporation providing for shares is one hundred dollars ($100).

SEC. 3. Section 12202 of the Government Code is amended to read:

12202. The fee for filing an agreement of merger, a certificate of ownership, a certificate of merger or a document pursuant to subdivision (d) of Section 1108 of the Corporations Code is one hundred dollars ($100) for any or all of the filings for each merger transaction regardless of the number of constituent corporations.

SEC. 4. Section 12204 of the Government Code is amended to read:

12204. The fee for filing the statement and designation upon the qualification of a foreign nonprofit nonstock corporation, and of a foreign corporation organized for educational, religious, scientific, or charitable purposes, and not issuing shares, is thirty dollars ($30).

The fee for filing the statement and designation upon the qualification of any other foreign corporation is three hundred fifty dollars ($350).

The fees in this section include the fee for designating an agent.

SEC. 5. Section 12205 of the Government Code is amended to read:

12205. (a) Unless another fee is specified by law, the fee for filing any instrument by or on behalf of a corporation is thirty dollars ($30).

(b) There is no fee for filing a certificate of election to dissolve a corporation, a certificate of dissolution of a corporation, or a certificate of surrender, or of change of address pursuant to Section 2112 of the Corporations Code.

SEC. 6. Section 12210 of the Government Code is amended to read:

12210. (a) The fee for filing the statement pursuant to Section 1502 or 2117 of the Corporations Code is five dollars ($5).

(b) The fee for filing the statement pursuant to Section 6210, 8210, or 6210 as made applicable pursuant to Section 9660 of the Corporations Code is five dollars ($5).

(c) The fee for filing the statement pursuant to Section 12570 of the Corporations Code is five dollars ($5).

(d) There is no filing fee for filing an officers' certificate pursuant to Section 2108 of the Corporations Code.

SEC. 7. Section 12211 of the Government Code is amended to read:

12211. The fee for filing the statement and designation upon the qualification of a foreign association pursuant to Section 2105 of the Corporations Code is three hundred fifty dollars ($350). The fee for filing an amended statement and designation by a foreign association pursuant to Section 2107 of the Corporations Code is thirty dollars ($30). There is no fee for filing a certificate showing the surrender of the right of a foreign association to transact intrastate business pursuant to Section 2112 of the Corporations Code.

SEC. 8. Section 693 of the Harbors and Navigation Code is amended to read:

603. Service of process shall be made by leaving one copy of the summons and complaint or one copy of the citation and libel in the hands of the Secretary of State or in his or her office at Sacramento or by mailing either by certified or registered mail, addressee only, return receipt requested, the copy of the summons and complaint or the copy of the citation and libel to the office of the Secretary of State in Sacramento. Service shall be effective as of the day the return receipt is received from the Secretary of State's office. A fee of fifty dollars ($50) for each nonresident to be served shall be paid to the Secretary of State at the time of service of the copy of the summons and complaint or the copy of the citation and libel and that service shall be a sufficient service on the nonresident subject to compliance with Section 604.

CHAPTER 440

An act to add Section 9928 to the Corporations Code, relating to corporations.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 9928 is added to the Corporations Code, to read:

9928. (a) A corporation which was organized prior to January 1, 1971, under any statutory provisions other than the General Corporation Law as then in effect (Division 1 (commencing with Section 100) of Title 1 of the Corporations Code or predecessor statutory provisions), has never filed a statement pursuant to Section 6210 or 8210, has never filed a statement pursuant to former Section 3301 and is not under suspension by the Franchise Tax Board, shall be subject to suspension by the Secretary of State pursuant to this section.

(b) Prior to taking action to suspend, the Secretary of State shall, in accordance with Section 6061 of the Government Code, publish a notice one time in a newspaper of general circulation published in the county in which the articles require the principal office of the corporation to be located. The notice shall identify the corporation by name and corporate number and shall state that the corporation shall be subject to suspension without further notice if a statement pursuant to Section 6210 or 8210 is not filed within 60 days after the date of publication of the notice.

(c) Not less than 61 days and not more than 180 days after the date of the publication, the Secretary of State may act to suspend the corporation in accordance with subdivisions (a) and (b).

(d) The Secretary of State shall notify the Franchise Tax Board of the suspension and thereupon, except for the purpose of amending the articles to set forth a new name, the corporate powers, rights, and privileges of the corporation are suspended.

(e) A statement pursuant to Section 6210 or 8210 may be filed notwithstanding suspension of the corporate powers, rights and privileges pursuant to this section or Section 23301, 23301.5, or 23775 of the Revenue and Taxation Code. Upon the filing of a statement pursuant to Section 6210 or 8210 by a corporation which has suffered suspension pursuant to this section, the Secretary of State shall certify that fact to the Franchise Tax Board and the corporation may thereupon, in accordance with Section 23305a of the Revenue and Taxation Code, be relieved from suspension unless the corporation is held in suspension by the Franchise Tax Board by reason of Section 23301, 23301.5, or 23775 of the Revenue and Taxation Code.

CHAPTER 441

An act to amend Section 71 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 71 of the Military and Veterans Code is amended to read:

71. The members of the board shall select one of their members to serve as chairperson, who shall hold office as chairperson at the pleasure of the board. The board shall also appoint and fix the salary of an executive officer, who shall attend all meetings of the board, keep a full and true record of all its proceedings, preserve at its general office all its books, documents, and papers, and perform other duties that the board may prescribe.

CHAPTER 442

An act to amend Section 13962 of the Government Code, relating to victims of crime.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 13962 of the Government Code is amended to read:

13962. (a) The staff of the board shall appoint a clerk to review all applications for assistance in order to ensure that they are complete. If the application is not complete, it shall be returned to the victim with a brief statement of the additional information required. The victim, within 30 days of receipt thereof, may either supply the additional information or appeal the action to the board which shall review the application to determine whether or not it is complete.

(b) If the application is accepted in accordance with subdivision (a), the board shall process claims within an average of 90 days. The 90-day period shall operate from the date the claim is accepted by the board or local contract agencies, to the date of payment or denial of the claim. Any verification of the claim which is deemed necessary shall be performed during this 90-day period. The verification process shall include sending supplemental forms to all hospitals, physicians, law enforcement officials, and other interested parties

involved, verifying the treatment of the victim, circumstances of the crime, amounts paid or received by or for the victim, and other pertinent information as may be deemed necessary by the board. Verification forms shall be provided by the board and shall be returned to the board within 10 business days. All information shall be provided at no cost to the applicant, the board, or local victim centers. Verification forms shall require sufficient information to clearly identify the victim. The board shall include on the verification forms a statement certifying that a signed authorization by the victim is retained in the victim's file and that this certification constitutes actual authorization for the release of information, notwithstanding any other provision of law. Each request from the board to a physician for a copy or summary of medical records shall include a copy of the signed authorization for the release of information. The board shall include on the verification forms reference to this section with respect to the prompt return of the verification forms. The board, thereupon, shall consider the application at a hearing at a time and place of its choosing. The board shall notify all interested persons not less than five days prior to the date of the hearing.

(c) The victim shall cooperate with the staff of the board or the local victim center in the verification of the information contained in the application. Failure to cooperate shall be reported to the board, which, in its discretion, may reject the application on this ground alone.

(d) Hearings shall be held in various locations with the frequency necessary to provide for the speedy adjudication of the applications. If the applicant's presence is required at the hearing, the board shall consider convenience to the applicant in scheduling the locations. If necessary, the board shall delegate the hearing of applications to hearing examiners.

(e) The board may contract with local victim centers to provide verification of claims processed by the centers pursuant to conditions stated in subdivision (b).

CHAPTER 443

An act to add Section 6714 to the Government Code, relating to Pearl Harbor Day.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that future generations of Californians should remember December 7, 1941, as the date on which our country suffered a suprise attack by a foreign

nation at Pearl Harbor. They should thus be reminded not to be lulled into a false sense of security, but to remain alert.

SEC. 2. Section 6714 is added to the Government Code, to read:

6714. The Governor shall annually proclaim December 7 as "Pearl Harbor Day."

CHAPTER 444

An act to amend Section 14541 of the Public Resources Code, relating to beverage containers.

[Approved by Governor September 13, 1989 Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14541 of the Public Resources Code is amended to read:

14541. (a) After notice and a hearing, the department may revoke, suspend, or refuse to renew a certificate granted pursuant to Section 14538 or 14539, or may impose a civil penalty on the holder of a certificate, for any one of, or any combination of, the following reasons:

(1) The certificate holder is convicted of any crime substantially related to the qualifications, functions, and duties of a certificate holder.

(2) The certificate holder engaged in fraud or deceit to obtain a certificate.

(3) The certificate holder engaged in dishonesty or substantial incompetence or fraud in performing the functions and duties of a certificate holder.

(4) The certificate holder willfully violated Section 14550, 14572, 14572.5, 14573, 14573.5, or 14575.

(b) In making a decision pursuant to subdivision (a), the department may do any of the following:

(1) Immediately revoke the certificate.

(2) Immediately suspend the certificate for a specified period of time.

(3) Permit the certificate holder to continue operation as a certified processor or recycling center until a specific date, at which time the revocation or suspension shall become effective.

(4) Permit the certificate holder to continue operation as a certified processor or recycling center on condition of complying with any conditions which the department determines would further the goals of this division.

(5) Impose a civil penalty of not more than one hundred dollars ($100) per violation. Each day that a violation occurs shall be considered a separate violation. The department shall deposit all

revenues from civil penalties in the California Beverage Container Recycling Fund.

(c) The department may examine the accounts and records of distributors and beverage manufacturers and assess a penalty of 10 percent per year and interest for underpayments of the redemption value for containers to the California Beverage Container Recycling Fund. The department may also impose a penalty of 15 percent of the amount due for payments up to a month late and a 5 percent additional penalty for each month the payments continue to be unremitted.

(d) (1) The department may examine the accounts and records of any beverage manufacturer which pays a processing fee pursuant to Section 14575. The department may assess a penalty of 10 percent per year and interest for underpayments of the applicable processing fee to the California Beverage Container Recycling Fund. The department may also impose a penalty of 15 percent of the amount due for payments up to a month late and a 5 percent additional penalty for each month the payments continue to be unremitted.

(2) If the department determines that an audit of a beverage manufacturer shows that there has been an underpayment of a processing fee, the department may examine the records concerning beverage container sales of any container manufacturer who supplied the beverage containers to the beverage manufacturer.

CHAPTER 445

An act to amend Sections 488.730, 697.590, and 697.650 of the Code of Civil Procedure, relating to liens.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 488.730 of the Code of Civil Procedure is amended to read:

488.730. (a) The levying officer shall release attached property when the levying officer receives a written direction to release the property from the plaintiff's attorney of record or, if the plaintiff does not have an attorney of record, from the plaintiff or when the levying officer receives a certified copy of a court order for release or when otherwise required to release the property. The release extinguishes any attachment lien in favor of the plaintiff on the property released.

(b) If the property to be released has been taken into custody under the levy, it shall be released to the person from whom it was taken unless otherwise ordered by the court. If the person does not claim the property to be released, the levying officer shall retain custody of the property and shall serve on the person a notice of

where possession of the property may be obtained. If the person does not claim the property within 30 days after the notice is served, the levying officer shall sell the property (other than cash which does not have a value exceeding its face value) in the manner provided by Article 6 (commencing with Section 701.510) of Chapter 3 of Division 2 of Title 9. The levying officer shall deposit the proceeds of sale and cash, after first deducting the levying officer's costs, with the county treasurer of the county where the property is located payable to the order of the person. If the amount deposited is not claimed by the person or the legal representative of the person within five years after the deposit is made, by making application to the treasurer or other official designated by the county, it shall be paid into the general fund of the county.

(c) If the property to be released has not been taken into custody under the levy, the levying officer shall release the attachment by issuing a written notice of release and serving it on the person who was served with a copy of the writ and a notice of attachment to create the lien.

(d) If the property to be released was levied upon by recording or filing a copy of the writ and a notice of attachment, the levying officer shall record or file a written notice of release in the same office. If the notice of attachment had been filed with the Secretary of State, any release shall have the effect prescribed in Section 697.650.

(e) The levying officer is not liable for releasing an attachment in accordance with this section and no other person is liable for acting in conformity with the release.

SEC. 2. Section 697.590 of the Code of Civil Procedure is amended to read:

697.590. (a) As used in this section:

(1) "Filing" means:

(A) With respect to a judgment lien on personal property, the filing of a notice of judgment lien in the office of the Secretary of State to create a judgment lien on personal property under this article.

(B) With respect to a security interest, the filing of a financing statement pursuant to Division 9 (commencing with Section 9101) of the Commercial Code.

(2) "Perfection" means perfection of a security interest pursuant to Division 9 (commencing with Section 9101) of the Commercial Code.

(3) "Personal property" means:

(A) With respect to a judgment lien on personal property, the property to which a judgment lien has attached pursuant to this article.

(B) With respect to a security interest, the collateral subject to a security interest pursuant to Division 9 (commencing with Section 9101) of the Commercial Code.

(4) "Purchase money security interest" means "purchase money

security interest" as defined in Section 9107 of the Commercial Code.

(b) Except as provided in subdivisions (d) and (e), priority between a judgment lien on personal property and a conflicting security interest in the same personal property shall be determined according to this subdivision. Conflicting interests rank according to priority in time of filing or perfection. In the case of a judgment lien, priority dates from the time filing is first made covering the personal property. In the case of a security interest, priority dates from the time a filing is first made covering the personal property or the time the security interest is first perfected, whichever is earlier, provided that there is no period thereafter when there is neither filing nor perfection.

(c) For the purposes of subdivision (b), a date of filing or perfection as to personal property is also a date of filing or perfection as to proceeds.

(d) A purchase money security interest has priority over a conflicting judgment lien on the same personal property or its proceeds if the purchase money security interest is perfected at the time the judgment debtor (as a debtor under the security agreement) receives possession of the personal property or within 20 days thereafter.

(e) If a purchase money security interest in inventory has priority over a judgment lien pursuant to subdivision (d) and a conflicting security interest has priority over the purchase money security interest in the same inventory pursuant to subdivision (3) of Section 9312 of the Commercial Code, the conflicting security interest also has priority over the judgment lien on the inventory subject to the purchase money security interest notwithstanding that the conflicting security interest would not otherwise have priority over the judgment lien.

(f) A judgment lien that has attached to personal property and that is also subordinate under subdivision (b) to a security interest in the same personal property is subordinate to the security interest only to the extent that the security interest secures advances made before the judgment lien attached or within 45 days thereafter or made without knowledge of the judgment lien or pursuant to a commitment entered into without knowledge of the judgment lien. For the purpose of this subdivision, a secured party shall be deemed not to have knowledge of a judgment lien on personal property until (1) the judgment creditor serves a copy of the notice of judgment lien on the secured party personally or by mail and (2) the secured party has knowledge of the judgment lien on personal property, as "knowledge" is defined in Section 1201 of the Commercial Code. If service on the secured party is by mail, it shall be sent to the secured party at the address shown in the financing statement or security agreement.

SEC. 3. Section 697 650 of the Code of Civil Procedure is amended to read:

697.650. (a) The judgment creditor may by a writing do any of

the following:

(1) Release the judgment lien on all the personal property subject to the lien of a sole judgment debtor or of all the judgment debtors.

(2) If the notice of judgment lien names more than one judgment debtor, release the judgment lien on all the personal property subject to the lien of one or more but of less than all the judgment debtors.

(3) Release the judgment lien on all or a part of the personal property subject to the lien.

(4) Subordinate to a security interest or other lien or encumbrance the judgment lien on all or a part of the personal property subject to the judgment lien.

(b) A statement of release or subordination is sufficient if it is signed by the judgment creditor and contains the name and address of the judgment debtor, the file number of the notice of judgment lien, and wording appropriate to bring the statement within one of the paragraphs of subdivision (a). In the case of a release under paragraph (3) of subdivision (a), the statement of release shall also describe the property being released. In the case of a subordination under paragraph (4) of subdivision (a), the statement of subordination shall also describe the property on which the judgment lien is being subordinated and describe the security interest or other lien or encumbrance to which the judgment lien is being subordinated.

(c) The filing officer shall treat the filing of a statement of release pursuant to paragraph (1) of subdivision (a) of this section in the same manner as a termination statement filed pursuant to Section 9404 of the Commercial Code. The filing officer shall treat the filing of a statement of release pursuant to paragraph (2) of subdivision (a) of this section in the same manner as a comparable amendment filed pursuant to subdivision (4) of Section 9402 of the Commercial Code. The filing officer shall treat the filing of a statement of release pursuant to paragraph (3) of subdivision (a) of this section and the filing of a statement of subordination filed pursuant to paragraph (4) of subdivision (a) of this section in the same manner as a statement of release filed pursuant to Section 9405 of the Commercial Code.

(d) The fee for filing the statement is the same as that provided in Section 9405 of the Commercial Code.

CHAPTER 446

An act to amend Sections 99153 and 99155 of the Education Code, relating to education.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 99153 of the Education Code is amended to read:

99153. On or before November 15 of each year, the test sponsor shall submit to the commission all of the following data and information:

(a) Three copies of each version of the test which was disclosed in the prior testing year, along with the corresponding acceptable answers, and the methods used to convert raw scores into the test scores reported to test subjects and test score recipients, together with an explanation of that method.

(b) The dates of major or national administration of each test administered by the test agency during the testing year.

(c) The total number of test subjects who have taken the test once, who have taken it twice, and who have taken it more than twice during the testing year.

(d) The total number of test subjects who registered for, but did not take, the test.

(e) The total amount of fees received from test subjects by the test agency for the test for that testing year.

(f) The expenses to the test sponsor of the test, as follows:

(1) Those expenses which are directly attributable to the test.

(2) Those expenses which are indirectly attributable to the test. However, if the test sponsor also sponsors another test or related activities, it shall be sufficient for compliance with this section for the test sponsor to list indirectly attributable expenses, to the extent that they are identifiable, as they are proportionately related to the test. The test sponsor shall also list expenses indirectly attributable to all activities of the test's sponsor, including expenses not identifiable as attributable to a test.

The financial disclosure required by this section shall be submitted within 135 days after the close of the testing year and in sufficient detail to indicate the major categories of revenues and expenses associated with the test. Except as provided in this section, the information for different tests administered by the same test sponsor shall be reported separately and by individual test.

(g) A copy of all documents, pamphlets, and literature provided to the test subject and the test score recipient.

(h) Where applicable, the national average test scores, state average test scores, the standard error of measurement, and any

other existing information relevant to a comparison of the test scores of the state's test subjects with test scores of previous test subjects of the past five years.

(i) For those tests used to predict academic performance, the most recent national or regional aggregation of data concerning the predictive validity of all of the following:

(1) Academic record or grades alone.

(2) Standardized test score alone.

(3) Academic record and test score combined.

(4) Standardized test scores over and above the predictive validity of academic record alone.

(j) Using available data, the racial, ethnic, and sex breakdown of all test subjects taking each test during the testing year.

(k) If a separate fee is charged test subjects for admissions data assembly service, the test sponsor shall report information concerning the data assembly service in substantially the same form as would be required for a test under this section.

(*l*) The test sponsor shall also supply to the commission any other information mutually identified by the commission and the test sponsor that will be reasonably available and helpful in either (1) assessing the state's progress in increasing the number of Hispanic, Black, or American Indian students who graduate from high school eligible to enroll in either the University of California or the California State University or (2) developing strategies to involve the testing companies in cooperative actions with schools, colleges, and universities to expand access to college for Hispanic, Black, and American Indian students.

(m) This section shall not be construed to require any test agency to submit to the commission any reports or documents containing information relating to any individual test subject. Any information relating to any individual test subject shall be deleted or obliterated from any reports or documents filed with the commission pursuant to this section.

(n) This section shall not apply to any standardized test which is administered to fewer than 3,000 test subjects in California during a testing year.

SEC. 2. Section 99155 of the Education Code is amended to read:

99155. By May 1, 1990, and every two years thereafter, the commission shall prepare and submit a biennial report regarding standardized tests of the state's test subjects to the Governor, the Legislature, the Regents of the University of California, the Board of Governors of the California Community Colleges, the Trustees of the California State University, and the Superintendent of Public Instruction. This report shall include a descriptive summary of existing data and information submitted to the commission pursuant to Section 99153, including all of the following:

(a) The number of California students taking standardized tests.

(b) The performance of California test subjects.

(c) The number of California students, by ethnicity and gender,

who participate in advance placement classes in secondary schools and take preliminary standardized college admission tests.

(d) The predictive validity of test scores as specified in subdivision (i) of Section 99153.

(e) A description of the information specified in subdivisions (a), (b), and (d) according to the sex and ethnicity of test subjects.

(f) The revenues received by test sponsors, and the proportion of those revenues expended for test development and administration.

The commission shall also report on the progress in increasing the number of Hispanic, Black, and American Indian students who graduate from high school eligible to enroll in either the University of California or the California State University. The testing companies shall cooperate with the commission in the sharing of available information and the development of policy recommendations for strengthening the college preparatory curriculum and increasing the availability of test preparation activities for students from ethnic groups traditionally underrepresented in postsecondary education. The commission shall present specific recommendations on (1) methods to remove the inappropriate obstacles that standardized college admissions tests may provide in precluding some students from obtaining regular admission to public colleges and universities and (2) strategies to involve the testing companies in cooperative actions with the schools, colleges, and universities to expand access to college for Hispanic, Black, and American Indian students.

CHAPTER 447

An act to repeal Section 5554 of the Public Resources Code, relating to regional park, regional park and open space, and regional open-space districts.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 13, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5554 of the Public Resources Code is repealed.

CHAPTER 448

An act to amend Section 31656 of the Government Code, relating to public retirement.

[Approved by Governor September 13, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 31656 of the Government Code is amended to read:

31656. Nothing in this chapter shall be construed to prohibit any district established pursuant to Part 4 (commencing with Section 40000) of Division 10 of the Public Utilities Code, from extending retirement service credit pursuant to Section 40127 of the Public Utilities Code to any employee of the district who is on an authorized leave of absence to serve as an official of a recognized employee bargaining unit, under all of the following conditions:

(a) The employee or the recognized employee organization, or both, as determined pursuant to applicable provisions of this part, agree to pay the total contributions which would otherwise be paid if the employee were not on leave, as well as any additional costs which may accrue to the system as a result of this extension of coverage.

(b) The maximum service credit accumulated under this section shall not exceed 12 years.

(c) Employees covered under this section shall not be eligible for disability benefits under any public employees' retirement system in this state while on such leave of absence.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by majority vote, make the provisions of this section applicable in the county.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 449

An act to amend Sections 42281, 42282, and 42284, of the Education Code, relating to school finance.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 42281 of the Education Code is amended to read:

42281. Except as specified in subdivision (d), for each elementary school district that maintains only one school with a second principal apportionment average daily attendance of less than 101, the county superintendent shall make one of the following computations, whichever provides the lesser amount:

(a) For each small school that has an average daily attendance during the fiscal year of less than 26, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least one teacher was hired full time, the county superintendent shall compute for the district fifty-two thousand nine hundred twenty-five dollars ($52,925).

(b) For each small school that has an average daily attendance during the fiscal year of 26 or more and less than 51, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least two teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred five thousand eight hundred fifty dollars ($105,850).

(c) For each small school that has an average daily attendance during the fiscal year of 51 or more but less than 76, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school three teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred fifty-eight thousand seven hundred seventy-five dollars ($158,775).

(d) For each small school that has an average daily attendance during the fiscal year of 76 or more and less than 101, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school four teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district two hundred eleven thousand seven hundred dollars ($211,700). A school district that qualifies under this subdivision may use this funding calculation until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the small school funding formula.

SEC. 2. Section 42282 of the Education Code is amended to read:

42282. For each district with fewer than 2,501 units of second principal apportionment average daily attendance, on account of each necessary small school, the county superintendent shall make the following computations:

(a) For each necessary small school which has an average daily attendance during the fiscal year of less than 26, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least one teacher was hired full time, the county superintendent shall compute for the district fifty-two thousand nine hundred twenty-five dollars ($52,925).

(b) For each necessary small school which has an average daily attendance during the fiscal year of 26 or more and less than 51, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least two teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred five thousand eight hundred fifty dollars ($105,850).

(c) For each necessary small school which has an average daily attendance during the fiscal year of 51 or more but less than 76, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school three teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred fifty-eight thousand seven hundred seventy-five dollars ($158,775).

(d) For each necessary small school which has an average daily attendance during the fiscal year of 76 or more and less than 101, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school four teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district two hundred eleven thousand seven hundred dollars ($211,700). These school districts may use this funding calculation until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the small school funding formula.

SEC. 3. Section 42284 of the Education Code is amended to read:

42284. For each district with fewer than 2,501 units of average daily attendance, on account of each necessary small high school, the county superintendent of schools shall make one of the following computations selected with regard only to the number of certificated employees employed or average daily attendance, whichever provides the lesser amount:

Average daily attendance	Minimum number of certificated employees	Amount to be computed
1– 20	less than 3	$42,980 per teacher
1– 20	3	191,340
21– 40	4	234,320
41– 60	5	277,300
61– 75	6	320,280
76– 90	7	363,260
91–105	8	406,240
106–120	9	449,220
121–135	10	492,200
136–150	11	535,180
151–180	12	578,160
181–220	13	621,140
221–260	14	664,120
261–300	15	707,100

For purposes of this section, a "certificated employee" means an equivalent full-time position of an individual holding a credential authorizing service and providing service in grades 9 through 12 in any secondary school. Any fraction of an equivalent full-time position remaining after all equivalent full-time positions for certificated employees within the district have been calculated shall be deemed to be a full-time position.

A school district that qualifies under this section may use the funding calculation as provided in this section until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the funding provided under this section.

SEC. 4. Regardless of the time this act becomes effective, it is the intent of the Legislature to make changes in state apportionments to school districts for the entire 1989–90 fiscal year. For the purpose of implementing the changes required by Section 1, the Superintendent of Public Instruction and other public officers shall take all necessary steps to effect the required adjustments, including the authority to adjust allowance computations, apportionments, and disbursements ordered from Section A of the State School Fund and other public funds.

CHAPTER 450

An act to add Section 1821 to the Vehicle Code, relating to driving offenses.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) Drivers under the influence of drugs or alcohol continue to present a grave danger to the citizens of this state.

(b) The Legislature has taken stern action to deter this crime and punish its offenders and has provided a range of sanctions available to the courts to use at their discretion.

(c) No system exists to monitor and evaluate the efficacy of these measures or to determine the achievement of the Legislature's goals.

(d) This lack of accurate and up-to-date comprehensive statistics hampers the ability of the Legislature to make informed and timely policy decisions.

(e) It is essential that the Legislature acquire this information, from available resources, as soon as practicable, and that this information be updated and transmitted annually to the Legislature.

SEC. 2. Section 1821 is added to the Vehicle Code, to read:

1821. The department shall establish and maintain a data and monitoring system to evaluate the efficacy of intervention programs for persons convicted of violations of Section 23152 or 23153.

The system may include a recidivism tracking system. The recidivism tracking system may include, but not be limited to, jail sentencing, license restriction, license suspension, level I (first offender) and II (multiple offender) alcohol and drug education and treatment program assignment, alcohol and drug education treatment program readmission and dropout rates, adjudicating court, length of jail term, actual jail or alternative sentence served, type of treatment program assigned, actual program compliance status, subsequent accidents related to driving under the influence of alcohol or drugs, and subsequent convictions of violations of Section 23152 or 23153.

The department shall submit an annual report of its evaluations to the Legislature. The evaluations shall include a ranking of the relative efficacy of criminal penalties, other sanctions, and intervention programs and the various combinations thereof.

CHAPTER 451

An act to amend Section 6330 of the Corporations Code, relating to corporations.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6330 of the Corporations Code is amended to read:

6330. (a) Subject to Sections 6331 and 6332, and unless the corporation provides a reasonable alternative pursuant to subdivision (c), a member may do either or both of the following as permitted by subdivision (b):

(1) Inspect and copy the record of all the members' names, addresses and voting rights, at reasonable times, upon five business days' prior written demand upon the corporation which demand shall state the purpose for which the inspection rights are requested; or

(2) Obtain from the secretary of the corporation, upon written demand and tender of a reasonable charge, an alphabetized list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of 10 business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

(b) The rights set forth in subdivision (a) may be exercised by:

(1) Any member, for a purpose reasonably related to the person's interest as a member. Where the corporation reasonably believes that the information will be used for another purpose, or where it provides a reasonable alternative pursuant to subdivision (c), it may deny the member access to the list. In any subsequent action brought by the member under Section 6336, the court shall enforce the rights set forth in subdivision (a) unless the corporation proves that the member will allow use of the information for purposes unrelated to the person's interest as a member or that the alternative method offered reasonably achieves the proper purpose set forth in the demand.

(2) The authorized number of members for a purpose reasonably related to the members' interest as members.

(c) The corporation may, within 10 business days after receiving a demand under subdivision (a), deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in the demand without providing

access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made under subdivision (a) shall be deemed a reasonable alternative, unless within a reasonable time after acceptance of the offer the corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to subdivision (a).

CHAPTER 452

An act to add Section 51226.5 to the Education Code, relating to education.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 51226.5 is added to the Education Code, to read:

51226.5. (a) No later than January 1, 1991, the State Board of Education, with the assistance of the Superintendent of Public Instruction, shall establish a list of textbooks and other instructional materials that highlight the contributions of minorities in the development of California and the United States.

(b) No later than April 1, 1991, the Superintendent of Public Instruction shall make that list of textbooks and instructional materials available for use by school districts throughout the state, and shall submit the list to the Legislature.

(c) The Superintendent of Public Instruction shall incorporate the textbooks and instructional materials on the list described in subdivision (a) into the implementation element of the history-social science framework adopted by the State Board of Education in July 1987, and into the implementation element of the framework adopted by the State Board of Education for any other subject area for which those textbooks and instructional materials identify important minority roles and contributions.

CHAPTER 453

An act to add Section 8210 to the Fish and Game Code, relating to commercial fishing, and making an appropriation therefor.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8210 is added to the Fish and Game Code, to read:

8210. (a) The Legislature finds and declares that the spring run of king salmon of the Klamath River Basin is presently underutilized and could sustain an increased ocean commercial hook and line fishery. The Legislature further finds and declares that this fishery would help local fishermen whose seasons have been severely impacted by the Pacific Fishery Management Council within the Klamath Management Zone which has sought to increase the returns of fall run king salmon to the Klamath River by restricting the ocean commercial salmon fishery.

(b) The director, after consultation with the National Oceanic and Atmospheric Administration and the Director of the Oregon Department of Fish and Wildlife, may open commercial king salmon fishing in ocean waters of this state, in times and areas as may be appropriate, to harvest the underutilized spring run king salmon stocks.

(c) If the National Marine Fisheries Service or the Director of the Oregon Department of Fish and Wildlife raise concerns which may lead to federal preemption of California's salmon management authority, or which may lead to some other adverse action on that authority, the director shall obtain the approval of the Pacific Fishery Management Council before opening a season pursuant to subdivision (b).

(d) Any season openings pursuant to subdivision (b) shall not continue for longer than three years without approval by the Legislature by statute.

CHAPTER 454

An act to add Section 14542.1 to the Public Resources Code, relating to beverage containers.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14542.1 is added to the Public Resources Code, to read:

14542.1. On or before October 1, 1990, the department shall submit to the Legislature a report concerning the effectiveness of convenience zones and certified recycling centers in encouraging convenient and economical recycling, and the advisability of revising current convenience zone and certified recycling center requirements established under this division to improve consumer convenience and economic efficiencies. The report shall contain all of the following:

(a) A comparison between beverage container redemption rates at certified recycling centers established pursuant to this division, and the incremental increase in recycling rates which occurred as a result of enactment of this division at recycling centers which were in existence prior to the enactment of this division.

(b) An analysis of consumer recycling trends, including an examination of methods to encourage recycling of beverage containers subject to this division which are currently not recycled.

(c) A comparison of the systems, programs, methods, and services used to provide opportunities to redeem beverage containers to consumers by certified recycling centers established pursuant to this division, and by recycling centers which were in existence prior to the enactment of this division.

(d) Information which compares the economic efficiencies of recycling centers and programs. This information shall include the amounts of redemption values, redemption bonuses, convenience incentive payments, administrative fees and other payments from the California Beverage Container Recycling Fund provided to consumers and to recycling centers and programs, including those recycling centers and programs which were established pursuant to this division and recycling centers which were in existence prior to the enactment of this division.

(e) Recommendations for modifications to this division which would improve consumer convenience and improve the economic efficiencies of recycling centers and programs, if the department determines that those modifications are necessary.

CHAPTER 455

An act to amend Section 44942 of the Education Code, relating to schools.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 44942 of the Education Code is amended to read:

44942. (a) Any certificated employee may be suspended or transferred to other duties by the governing board if the board has reasonable cause to believe that the employee is suffering from mental illness of such a degree as to render him or her incompetent to perform his or her duties.

(b) The governing board shall immediately, upon any suspension or transfer under this section, give to the employee a written statement of the facts giving rise to the board's belief, and an opportunity to appear before the board within 10 days to explain or refute the charges.

(c) If, after the employee's appearance before the board, the board decides to continue the suspension or transfer, or if the employee chooses not to appear before the board, the employee shall then be offered, in writing, the opportunity of being examined by a panel consisting of three persons who are either psychiatrists or psychologists, at least one of whom shall be a psychiatrist, selected by him or her from a list of psychiatrists and psychologists to be provided by the board. To assist the panel in making its determination, the governing board shall supply to the panel, prior to the date scheduled for the examination, a list of the duties of the position from which the employee was suspended or transferred. The employee shall continue to receive his or her regular salary and all other benefits of employment during the period dating from his or her suspension to the filing of the report of the panel with the governing board.

(d) The examination shall be conducted at school district expense within 15 days of any suspension or transfer ordered under this section. The employee shall submit to the examination, but shall be entitled to be represented by a psychiatrist, psychologist licensed under Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code, or physician of his or her own choice, and any report of the psychiatrist, psychologist, or physician selected by him or her shall be filed with the panel at the request of the employee.

A written report of the panel on the examination of the suspended or transferred employee shall be submitted to the governing board no later than 10 days after completion of the examination. A copy

shall be supplied to the employee upon request. The report shall contain a finding on whether the employee is suffering from mental illness of such a degree as to render him or her incompetent to perform his or her duties.

(e) If a majority of the panel conclude that the employee should be permitted to return to his or her duties, no written record of the suspension or of the determination of the panel shall be retained, and in all respects any written record concerning the employee shall appear as it did before the suspension was made.

(f) If a majority of the panel find in the panel's report that the employee is suffering from mental illness of such a degree as to render him or her incompetent to perform his or her duties, the governing board may, upon receipt of the report, place the employee on mandatory sick leave of absence. Any mandatory sick leave of absence imposed under this section shall not exceed two years, during which period the employee shall be entitled to sick leave and hospital and medical benefits that he or she accrued during his or her employment by the governing board but only to the extent of that accrual.

(g) Any employee placed on mandatory sick leave of absence pursuant to this section may, in writing, immediately demand a hearing. Upon receipt of that written demand, the governing board shall file a complaint in the superior court of the county in which the school district, or the major part thereof, is located, setting forth the charges against the employee and asking that the court inquire into the charges and determine whether or not the charges are true, and, if true, whether they constitute sufficient grounds for placing the employee on mandatory sick leave of absence, and for a judgment pursuant to its findings.

(h) If the court finds that the employee was not, at the time of the suspension, incompetent to perform his or her assigned duties and should not have been placed on mandatory sick leave of absence, the employee shall be immediately reinstated to the same or a substantially similar position with full back salary, and any written record of the suspension or transfer or any report of the panel shall be destroyed.

(i) If the court confirms the placing of the employee on mandatory sick leave, or if the employee does not seek a hearing, then, upon written request of the employee made not earlier than six months nor later than two years after the date he or she was placed on mandatory sick leave of absence, a new panel consisting of three persons who are either psychiatrists or psychologists, at least one of whom shall be a psychiatrist, shall be convened by, and at the expense of, the governing board to review its original conclusion. If the original conclusion is not changed by the new panel as a result of that review, the employee shall be continued on the mandatory sick leave of absence, except that when the employee's total period of absence exceeds two years, the governing board shall either rescind its action and reinstate the employee to the same or a

substantially similar position, or shall serve the employee with a notice of intention to dismiss him or her, and proceed according to Section 44943.

(j) If a majority of the new panel concludes in its report, or any subsequent review thereof, that the suspended employee or employee on mandatory sick leave of absence should be permitted to return to his or her duties, or if the court so concludes, the governing board shall take immediate action to restore the employee to the position from which he or she was suspended or transferred or to a substantially similar position.

(k) Every hearing and action by or before the governing board pursuant to this section shall be in executive session, and no decision, action, or occurrence therein shall be made public, unless the employee so requests in writing.

(*l*) Nothing in this section shall be construed to supersede Section 44949.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 456

An act to amend Section 10925 of the Fish and Game Code, relating to fish.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10925 of the Fish and Game Code is amended to read:

10925. (a) In that part of District 1½ comprising the waters of Francis Creek, Rees Creek, and Williams Creek, and in that part of District 1⅜ comprising the waters of the Sawmill Pond, it is unlawful for any person over the age of 14 to take any fish. Not more than five fish may be taken and possessed from those waters during one day.

(b) It is the purpose of this section to create a junior fishing reserve for young people so that they may practice the art of angling

safely without interference with, or being interfered with by, licensed sporting fishermen and others during lawful fishing seasons.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 457

An act to amend Section 3068.1 of the Civil Code, and to amend Section 22851 of, and to add Section 22856 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3068.1 of the Civil Code is amended to read:

3068.1. (a) Every person has a lien dependent upon possession for the compensation to which the person is legally entitled for towing or storage of any vehicle subject to registration which has been authorized to be removed by a public agency. The lien is deemed to arise on the date of possession of the vehicle. Possession is deemed to arise when the vehicle is removed and is in transit.

(b) If the vehicle has been determined to have a value of over three hundred dollars ($300) pursuant to Section 22670 of the Vehicle Code, but not exceeding one thousand dollars ($1,000), the lien shall be satisfied pursuant to Section 3072. Lien-sale proceedings pursuant to this chapter shall commence within 15 days of the date the lien arises. No storage shall accrue beyond the 15-day period unless lien-sale proceedings have commenced.

(c) If the vehicle has been determined to have a value exceeding one thousand dollars ($1,000) pursuant to Section 22670 of the Vehicle Code, the lien shall be satisfied pursuant to Section 3071. The storage lien may be for a period not exceeding 60 days or, if an application for an authorization to conduct a lien-sale has been filed pursuant to Section 3071 within 30 days after the lien arises, a period not exceeding 120 days.

SEC. 2. Section 22851 of the Vehicle Code is amended to read:

22851. (a) Whenever a vehicle has been removed to a garage under this chapter and the keeper of the garage has received the

notice or notices as provided herein, the keeper shall have a lien dependent upon possession for his or her compensation for towage and for caring for and keeping safe the vehicle for a period not exceeding 60 days or, if an application for an authorization to conduct a lien sale has been filed pursuant to Section 3068.1 of the Civil Code within 30 days after the removal of the vehicle to the garage, 120 days and, if the vehicle is not recovered by the owner within that period or the owner is unknown, the keeper of the garage may satisfy his or her lien in the manner prescribed in this article. The lien shall not be assigned. Possession of the vehicle is deemed to arise when a vehicle is removed and is in transit.

(b) No lien shall attach to any personal property in or on the vehicle. The personal property in or on the vehicle shall be given to the registered owner or the owner's authorized agent upon demand. The lienholder shall not be responsible for property after any vehicle has been disposed of pursuant to this chapter.

SEC. 3. Section 22856 is added to the Vehicle Code, to read:

22856. Notwithstanding any other provision of law, no cause of action for despoliation of evidence shall arise against any towing company that sells any vehicle at, or disposes of any vehicle after, a lien sale, unless the company knew, or should have known, that the vehicle will be needed as evidence in a legal action.

CHAPTER 458

An act to add Sections 1514, 1569.314, and 1596.861 to the Health and Safety Code, relating to health.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares the following:

(1) The population of the United States of persons over 80 years old will grow from 2.9 million in 1980 to 7.9 million in 2020—an increase of nearly 175 percent in only 40 years. In California, the aging of the population is accelerating more rapidly than in the nation at large.

(2) Personal care or mobility assistance is needed by 15.4 percent of persons over the age of 65. Many more of those persons over the age of 65 are too vulnerable, frail, or lonely to live independently in their own homes, but they do not need the intensive medical care and attention provided by skilled nursing facilities. Residential care facilities provide an appropriate alternative which allows older Californians to maintain a sense of independence within a home setting.

(3) The number of working parents with small children in need of formal child-care arrangements has increased dramatically in the past 10 years and is expected to continue to rise.

(4) The number of child-care options available to working parents is also increasing.

(5) The public is often unaware as to whether residential care facilities and child care facilities are actually licensed and may make judgments regarding providers without reasonable certainty of the provider's qualifications.

(b) It is the intent of the Legislature to require all residential care facilities which are licensed by the state and all child care facilities which are licensed by the state to include their license number in all advertisings.

SEC. 2. Section 1514 is added to the Health and Safety Code, to read:

1514. (a) Each residential care facility licensed under this chapter shall reveal its license number in all advertisements, publications, or announcements made with the intent to attract clients or residents.

(b) Advertisements, publications, or announcements subject to the requirements of subdivision (a) shall include, but are not limited to, those contained in the following:

(1) Newspaper or magazine.

(2) Consumer report.

(3) Announcement of intent to commence business.

(4) Telephone directory yellow pages.

(5) Professional or service directory.

(6) Radio or television commercial.

SEC. 3. Section 1569.314 is added to the Health and Safety Code, to read:

1569.314. (a) Each residential care facility for the elderly licensed under this chapter shall reveal its license number in all advertisements, publications, or announcements made with the intent to attract clients or residents.

(b) Advertisements, publications, or announcements subject to the requirements of subdivision (a) referred to herein include, but are not limited to, those contained in the following:

(1) Newspaper or magazine.

(2) Consumer report.

(3) Announcement of intent to commence business.

(4) Telephone directory yellow pages.

(5) Professional or service directory.

(6) Radio or television commercial.

SEC. 4. Section 1596.861 is added to the Health and Safety Code, to read:

1596.861. (a) Each child day care facility licensed under this chapter, or Chapter 3.5, Chapter 3.6 shall reveal its license number in all advertisements, publications, or announcements made with the intent to attract clients.

(b) Advertisements, publications, or announcements subject to the requirements of subdivision (a) include, but are not limited to, those contained in the following:

(1) Newspaper or magazine.
(2) Consumer report.
(3) Announcement of intent to commence business.
(4) Telephone directory yellow pages.
(5) Professional or service directory.
(6) Radio or television commercial.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 459

An act to amend Section 52 of the Civil Code, relating to civil rights.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 52 of the Civil Code is amended to read:

52. (a) Whoever denies, or who aids, or incites such denial, or whoever makes any discrimination, distinction or restriction on account of sex, color, race, religion, ancestry, national origin, or blindness or other physical disability contrary to the provisions of Section 51 or 51.5, is liable for each and every such offense for the actual damages, and such amount as may be determined by a jury, or a court sitting without a jury, up to a maximum of three times the amount of actual damage but in no case less than two hundred fifty dollars ($250), and such attorney's fees as may be determined by the court in addition thereto, suffered by any person denied the rights provided in Section 51 or 51.5.

(b) Whoever denies the right provided by Section 51.7, or whoever aids, incites, or conspires in that denial, is liable for each and every offense for the actual damages suffered by any person denied that right and, in addition, (1) an amount to be determined by a jury, or a court sitting without a jury, up to a maximum of three times the amount of actual damages; (2) a civil penalty of ten thousand dollars

($10,000) to be awarded to the person denied the right provided by Section 51.7; and (3) attorney fees as may be determined by the court. In the case of multiple offenders, the ten thousand dollar ($10,000) civil penalty shall be prorated between them.

(c) Whenever there is reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights hereby secured, and that the pattern or practice is of such a nature and is intended to deny the full exercise of the rights herein described, the Attorney General, any district attorney or city attorney, or any person aggrieved by the pattern or practice may bring a civil action in the appropriate court by filing with it a complaint (1) signed by the officer (or in his or her absence the individual acting on behalf of the officer) or by the person aggrieved, (2) setting forth facts pertaining to the pattern or practice, and (3) requesting such preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or persons responsible for such pattern or practice, as he or she deems necessary to insure the full enjoyment of the rights herein described.

(d) Whenever an action has been commenced in any court seeking relief from the denial of equal protection of the laws under the Fourteenth Amendment to the Constitution of the United States on account of race, color, religion, sex, national origin, or blindness or other physical disability, the Attorney General or any district attorney or city attorney for or in the name of the people of the State of California may intervene in the action upon timely application if the Attorney General or any district attorney or city attorney certifies that the case is of general public importance. In that action the people of the State of California shall be entitled to the same relief as if it had instituted the action.

(e) Actions under this section shall be independent of any other remedies or procedures that may be available to an aggrieved party.

(f) Any person claiming to be aggrieved by an alleged unlawful practice in violation of Section 51 or 51.7 may also file a verified complaint with the Department of Fair Employment and Housing pursuant to Section 12948 of the Government Code.

(g) Nothing in this section shall be construed to require any construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever to any new or existing establishment, facility, building, improvement, or any other structure, or to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other provisions of the law.

Nothing in this section shall require any person renting, leasing, or otherwise providing real property for compensation to modify his or her property in any way, or provide a higher degree of care for a blind or other physically disabled person than for a person who is not physically disabled.

CHAPTER 460

An act to add Section 62543 to the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 62543 is added to the Food and Agricultural Code, to read:

62543. The board may, by contract, with the approval of the director, engage the services of an accounting firm or other consultants or agencies which the board determines to be necessary.

CHAPTER 461

An act to amend Sections 3715, 3717, and 3732 of the Labor Code, relating to workers' compensation.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3715 of the Labor Code is amended to read:

3715. (a) Any employee, except an employee as defined in subdivision (d) of Section 3351, whose employer has failed to secure the payment of compensation as required by this division, or his or her dependents in case death has ensued, may, in addition to proceeding against his or her employer by civil action in the courts as provided in Section 3706, file his or her application with the appeals board for compensation and the appeals board shall hear and determine the application for compensation in like manner as in other claims and shall make the award to the claimant as he or she would be entitled to receive if the employer had secured the payment of compensation as required, and the employer shall pay the award in the manner and amount fixed thereby or shall furnish to the appeals board a bond, in any amount and with any sureties as the appeals board requires, to pay the employee the award in the manner and amount fixed thereby.

(b) Notwithstanding this section or any other provision of this chapter except Section 3708, any person described in subdivision (d) of Section 3351 who is (1) engaged in household domestic service who is employed by one employer for over 52 hours per week, (2) engaged as a part-time gardener in connection with a private dwelling, if the number of hours devoted to the gardening work for

any individual regularly exceeds 44 hours per month, or (3) engaged in casual employment where the work contemplated is to be completed in not less than 10 working days, without regard to the number of persons employed, and where the total labor cost of the work is not less than one hundred dollars ($100) (which amount shall not include charges other than for personal services), shall be entitled, in addition to proceeding against his or her employer by civil action in the courts as provided in Section 3706, to file his or her application with the appeals board for compensation. The appeals board shall hear and determine the application for compensation in like manner as in other claims, and shall make the award to the claimant as he or she would be entitled to receive if the person's employer had secured the payment of compensation as required, and the employer shall pay the award in the manner and amount fixed thereby, or shall furnish to the appeals board a bond, in any amount and with any sureties as the appeals board requires, to pay the employee the award in the manner and amount fixed thereby.

It is the intent of the Legislature that the amendments to this section by Chapter 17 of the Statutes of 1977, make no change in the law as it applied to those types of employees covered by this subdivision prior to the effective date of Chapter 1263 of the 1975 Regular Session.

(c) In any claim in which it is alleged that the employer has failed to secure the payment of compensation, the director, only for purposes of this section and Section 3720, shall determine, on the basis of the evidence available to him or her, whether the employer was prima facie illegally uninsured. A finding that the employer was prima facie illegally uninsured shall be made when the director determines that there is sufficient evidence to constitute a prima facie case that the employer employed an employee on the date of the alleged injury and had failed to secure the payment of compensation, and that the employee was injured arising out of, and occurring in the course of, the employment.

Failure of the employer to furnish within 10 days the written statement in response to a written demand for a written statement prescribed in Section 3711, addressed to the employer at its address as shown on the official address record of the appeals board, shall constitute in itself sufficient evidence for a prima facie case that the employer failed to secure the payment of compensation.

A written denial by the insurer named in the statement furnished by the employer as prescribed in Section 3711, that the employer was so insured as claimed, or the nonexistence of a valid certificate of consent to self-insure for the time of the claimed injury, if the statement furnished by the employer claims the employer was self-insured, shall constitute in itself sufficient evidence for a prima facie case that the employer had failed to secure the payment of compensation.

The nonexistence of a record of the employer's insurance with the Workers' Compensation Insurance Rating Bureau shall constitute in

itself sufficient evidence for a prima facie case that the employer failed to secure the payment of compensation.

The unrebutted written declaration under penalty of perjury by the injured employee, or applicant other than the employee, that the employee was employed by the employer at the time of the injury, and that he or she was injured in the course of his or her employment, shall constitute, in itself, sufficient evidence for a prima facie case that the employer employed the employee at the time of the injury, and that the employee was injured arising out of, and occurring in the course of, the employment.

(d) When the director determines that an employer was prima facie illegally uninsured, the director shall mail a written notice of the determination to the employer at his or her address as shown on the official address record of the appeals board, and to any other more recent address the director may possess. The notice shall advise the employer of its right to appeal the finding, and that a lien may be placed against the employer's and any parent corporation's property, or the property of substantial shareholders of a corporate employer as defined by Section 3717.

Any employer aggrieved by a finding of the director that it was prima facie illegally uninsured may appeal the finding by filing a petition before the appeals board. The petition shall be filed within 20 days after the finding is issued. The appeals board shall hold a hearing on the petition within 20 days after the petition is filed with the appeals board. The appeals board shall have exclusive jurisdiction to determine appeals of the findings by the director, and no court of this state has jurisdiction to review, annul, or suspend the findings or the liens created thereunder, except as provided by Article 2 (commencing with Section 5950) of Chapter 7 of Part 4 of Division 4.

(e) Any claim brought against an employer under this section may be resolved by the director by compromise and release or stipulated findings and award as long as the appeals board has acquired jurisdiction over the employer and the employer has been given notice and an opportunity to object.

Notice may be given by service on the employer of an appeals board notice of intention to approve the compromise and release or stipulated findings and award. The employer shall have 20 days after service of the notice of intention to file an objection with the appeals board and show good cause therefor.

If the employer objects, the appeals board shall determine if there is good cause for the objection.

If the appeals board finds good cause for the objection, the director may proceed with the compromise and release or stipulated findings and award if doing so best serves the interest of the Uninsured Employers Fund, but shall have no cause of action against the employer under Section 3717 unless the appeals board case is tried to its conclusion and the employer is found liable.

If the appeals board does not find good cause for the objection, and

the compromise and release or stipulated findings and award is approved, the Uninsured Employers Fund shall have a cause of action against the employer pursuant to Section 3717.

(f) The director may adopt regulations to implement and interpret the procedures provided for in this section.

SEC. 2. Section 3717 of the Labor Code is amended to read:

3717. (a) A findings and award which is the subject of a demand on the Uninsured Employers Fund or an approved compromise and release or stipulated findings and award entered into by the director pursuant to subdivision (e) of Section 3715, or a decision and order of the rehabilitation unit of the Division of Industrial Accidents, which has become final, shall constitute a liquidated claim for damages against an employer in the amount so ascertained and fixed by the appeals board, and the appeals board shall certify the same to the director who may institute a civil action against the employer in the name of the director, as administrator of the Uninsured Employers Fund, for the collection of the award, or may obtain a judgment against the employer pursuant to Section 5806. In the event that the appeals board finds that a corporation is the employer of an injured employee, and that the corporation has not secured the payment of compensation as required by this chapter, the following persons shall be jointly and severally liable with the corporation to the director in the action:

(1) All persons who are a parent, as defined in Section 175 of the Corporations Code, of the corporation.

(2) All persons who are substantial shareholders, as defined in subdivision (b), of the corporation or its parent. In the action it shall be sufficient for plaintiff to set forth a copy of the findings and award of the appeals board relative to the claims as certified by the appeals board to the director and to state that there is due to plaintiff on account of the finding and award of the appeals board a specified sum which plaintiff claims with interest. The director shall be further entitled to costs and reasonable attorney fees, and to his or her investigation and litigation expenses for the appeals board proceedings, and a reasonable attorney fee for litigating the appeals board proceedings. A certified copy of the findings and award in the claim shall be attached to the complaint. The contents of the findings and award shall be deemed proved. The answer or demurrer to the complaint shall be filed within 10 days, the reply or demurrer to the answer within 20 days, and the demurrer to the reply within 30 days after the return day of the summons or service by publication. All motions and demurrer shall be submitted to the court within 10 days after the same are filed. As soon as the issues are made up in any such case, it shall be placed at the head of the trial docket and shall be first in order for trial.

Nothing in this chapter shall be construed to preclude informal adjustment by the director of a claim for compensation benefits before the issuance of findings and award wherever it appears to the director that the employer is uninsured and that informal adjustment

will facilitate the expeditious delivery of compensation benefits to the injured employee.

(b) As used in this section, "substantial shareholder" means a shareholder who owns at least 15 percent of the total value of all classes of stock, or, if no stock has been issued, who owns at least 15 percent of the beneficial interests in the corporation.

(c) For purposes of this section, in determining the ownership of stock or beneficial interest in the corporation, in the determination of whether a person is a substantial shareholder of the corporation, the rules of attribution of ownership of Section 17384 of the Revenue and Taxation Code shall be applied.

(d) For purposes of this section, "corporation" shall not include:

(1) Any corporation which is the issuer of any security which is exempted by Section 25101 of the Corporations Code from Section 25130 of the Corporations Code.

(2) Any corporation which is the issuer of any security exempted by subdivision (c), (d), or (i) of Section 25100 of the Corporations Code from Sections 25110, 25120, and 25130 of the Corporations Code.

(3) Any corporation which is the issuer of any security which has qualified either by coordination, as provided by Section 25111 of the Corporations Code, or by notification, as provided by Section 25112 of the Corporations Code.

SEC. 3. Section 3732 of the Labor Code is amended to read:

3732. (a) If compensation is paid or becomes payable from the Uninsured Employers Fund, whether as a result of a findings and award, award based upon stipulations, compromise and release executed on behalf of the director, or payments voluntarily furnished by the director pursuant to Section 4903.3, the director may recover damages from any person or entity, other than the employer, whose tortious act or omission proximately caused the injury or death of the employee. The damages shall include any compensation, including additional compensation by way of interest or penalty, paid or payable by the director, plus the expense incurred by the director in investigating and litigating the workers' compensation claim and a reasonable attorney fee for litigating the workers' compensation claim. The director may compromise, or settle and release any claim, and may waive any claim, including the lien allowed by this section, in whole or in part, for the convenience of the director.

(b) Except as otherwise provided in this section, Chapter 5 (commencing with Section 3850) of Part 1 of Division 4 shall be applicable to these actions, the director being treated as an employer within the meaning of Chapter 5 to the extent not inconsistent with this section.

(c) Actions brought under this section shall be commenced within one year after the later of either the time the director pays or the time the director becomes obligated to pay any compensation from the Uninsured Employers Fund.

(d) In the trial of these actions, any negligence attributable to the

employer shall not be imputed to the director or to the Uninsured Employers Fund, and the damages recoverable by the director shall not be reduced by any percentage of fault or negligence attributable to the employer or to the employee.

(e) In determining the credit to the Uninsured Employers Fund provided by Section 3861, the appeals board shall not take into consideration any negligence of the employer, but shall allow a credit for the entire amount of the employee's recovery either by settlement or after judgment, as has not theretofore been applied to the payment of expenses or attorney's fees.

(f) When an action or claim is brought by an employee, his or her guardian, conservator, personal representative, estate, survivors, or heirs against a third party who may be liable for causing the injury or death of the employee, any settlement or judgment obtained is subject to the director's claim for damages recoverable by the director pursuant to subdivision (a), and the director shall have a lien against any settlement in the amount of the damages.

(g) No judgment or settlement in any action or claim by an employee, his or her guardian, conservator, personal representative, survivors, or heirs to recover damages for injuries, where the director has an interest, shall be satisfied without first giving the director notice and a reasonable opportunity to perfect and satisfy his or her lien. The director shall be mailed a copy of the complaint in the third-party action as soon as reasonable after it is filed with the court.

(h) When the director has perfected a lien upon a judgment or settlement in favor of an employee, his or her guardian, conservator, personal representative, survivors or heirs against any third party, the director shall be entitled to a writ of execution as a lien claimant to enforce payment of the lien against the third party with interest and other accruing costs as in the case of other executions. In the event the amount of the judgment or settlement so recovered has been paid to the employee, his or her guardian, conservator, personal representative, survivors, or heirs, the director shall be entitled to a writ of execution against the employee, his or her guardian, conservator, personal representative, survivors, or heirs to the extent of the director's lien, with interest and other accruing costs as in the cost of other executions.

(i) Except as otherwise provided in this section, notwithstanding any other provision of law, the entire amount of any settlement of the action or claim of the employee, his or her guardian, conservator, personal representative, survivors, or heirs, with or without suit, is subject to the director's lien claim for the damages recoverable by the director pursuant to subdivision (a).

(j) Where the action or claim is brought by the employee, his or her guardian, conservator, personal representative, estate, survivors, or heirs, and the director has not joined in the action, and the employee, his or her guardian, conservator, personal representative, estate, survivors, or heirs incur a personal liability to pay attorney's fees and costs of litigation, the director's claim for damages shall be

limited to the amount of the director's claim for damages less that portion of the costs of litigation expenses determined by multiplying the total cost of litigation expenses by the ratio of the full amount of the director's claim for damages to the full amount of the judgment, award, or settlement, and less 25 percent of the balance after subtracting the director's share of litigation expenses, which represents the director's reasonable share of attorney's fees incurred.

(k) In the trial of the director's action for damages, and in the allowance of his or her lien in an action by the employee, guardian, executor, personal representative, survivors, or heirs, the compensation paid from the Uninsured Employers Fund pursuant to an award as provided in Section 3716 is conclusively presumed to be reasonable in amount and to be proximately caused by the event or events which caused the employee's injury or death.

(*l*) In the action for damages the director shall be entitled to recover, if he or she prevails, the entire amount of the damages recoverable by the director pursuant to subdivision (a), regardless of whether the damages recoverable by the employee, guardian, conservator, personal representative, survivors, or heirs are of lesser amount.

CHAPTER 462

An act to add Section 2790 to the Public Utilities Code, relating to public utilities.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The State Energy Resources Conservation and Development Commission has reported that the low-income population in California constitutes between 15 to 20 percent of the state's residents, and this low-income population suffers energy costs 350 percent greater than higher income households.

(b) Notwithstanding the plight of the poor, in recent years, investor-owned energy utilities in California have requested reductions in their low-income energy assistance programs.

(c) As a result of temporary excess capacity and current low fuel costs, many energy utilities are encouraging greater energy consumption rather than promoting energy conservation measures which, in the short term, may not appear to be cost-effective.

(d) The Public Utilities Commission should consider the hardships facing low-income households as well as cost effectiveness when determining the level of low-income energy services to be

provided by utilities.

SEC. 2. Section 2790 is added to the Public Utilities Code, to read:

2790. (a) The commission shall require an electrical or gas corporation to perform home weatherization services for low-income customers, as determined by the commission under Section 739, if the commission determines that a significant need for those services exists in the corporation's service territory, taking into consideration both the cost effectiveness of the services and the policy of reducing the hardships facing low-income households.

(b) (1) For purposes of this section, "weatherization" includes, where feasible, any of the following measures for any dwelling unit:

(A) Attic insulation.

(B) Caulking.

(C) Weatherstripping.

(D) Low flow showerhead.

(E) Waterheater blanket.

(F) Door and building envelope repairs which reduce air infiltration.

(2) The commission shall direct any electrical or gas corporation to provide as many of these measures as are feasible for each eligible low-income dwelling unit.

(c) "Weatherization" may also include other building conservation measures, energy-efficient appliances, and energy education programs determined by the commission to be feasible, taking into consideration both the cost effectiveness of the measures and the policy of reducing the hardships facing low-income households.

CHAPTER 463

An act to amend Sections 14003, 14300, and 14304 of the Public Resources Code, relating to the California Conservation Corps.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14003 of the Public Resources Code is amended to read:

14003. (a) The Legislature finds and declares that the State of California has already established a model conservation corps program and that redundant federal and state programs to carry out resource protection and conservation within the state are not in the best interests of the state. Rather, it is in the best interests of the state that federal funds designated to be expended by federal agencies for this purpose be allocated, to the extent feasible, to the California Conservation Corps and local conservation corps.

(b) If federal funds are available for youth conservation corps or community service corps programs, excluding the federal Job Corps, the California Conservation Corps is hereby designated as the program recipient for the State of California, and the corps may distribute, as appropriate, any federal funds to other corps programs within the state. The director shall have the authority to adopt, amend, and repeal policies to implement the program consistent with the federal requirements and with this division.

SEC. 2. Section 14300 of the Public Resources Code is amended to read:

14300. Young women and men participating in the corps program shall generally be engaged in projects which do the following:

(a) Preserve, maintain, and enhance environmentally important lands and waters.

(b) Accomplish useful and needed public works projects in both urban and rural areas.

(c) Conserve, maintain, improve, and develop natural resources in both urban and rural areas.

(d) Provide opportunities for public use of, or education in, the areas, projects, and resources described in subdivisions (a), (b), and (c).

(e) Assist in emergency operations, such as natural disaster relief and the rescue of lost and injured persons.

(f) Assist in fire prevention and suppression.

(g) Directly contribute to the conservation of energy.

(h) Contribute toward making public facilities accessible to persons with disabilities.

(i) Assist other departments within the Resources Agency in developing, rehabilitating, and restoring parklands, recreational facilities, and historical resources; restoring salmon and steelhead spawning, nursery, and rearing habitat; restoring and preserving wildlife habitat; and enhancing reforestation in both urban and rural areas.

SEC. 3. Section 14304 of the Public Resources Code is amended to read:

14304. Projects shall be directed toward providing opportunities to the public for their education or the use of these natural resources and environmentally important public lands and waters, while at the same time providing young men and women with an opportunity for personal development in a variety of basic skills. Projects shall be undertaken in both urban and rural areas and shall be selected on the basis of the environmental and natural resource benefits each offers, the opportunities for public education or use each offers, and the on-the-job training value of each.

CHAPTER 464

An act to amend Sections 9402, 9403, 10104, and 10506 of the Commercial Code, relating to uniform laws.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 9402 of the Commercial Code, as amended by Chapter 1368 of the Statutes of 1988, is amended to read:

9402. (1) A financing statement is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor, and contains a statement indicating the types, or describing the items, of collateral. A financing statement should include the debtor's trade name or style, if any, if known to the secured party, but a failure to include the trade name or style shall not under any circumstances affect the validity of the financing statement. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subdivision (5) of Section 9103, or when the financing statement is filed as a fixture filing (Section 9313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subdivision (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A certified copy of a financing statement or security agreement is sufficient as a financing statement if the original thereof was filed in this state.

(2) A financing statement which otherwise complies with subdivision (1) is sufficient when it is signed by the secured party instead of the debtor if it is filed to perfect a security interest in or as a fixture filing covering any of the following:

(a) Collateral already subject to a security interest in another jurisdiction when it is brought into this state or when the debtor's location is changed to this state. The financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances.

(b) Proceeds under Section 9306, if the security interest in the original collateral was perfected. The financing statement must describe the original collateral and give the date of filing and the file number of the prior financing statement.

(c) Collateral as to which the filing has lapsed. The financing

statement must include a statement to the effect that the prior financing statement has lapsed and give the date of filing and the file number of the prior financing statement.

(d) Collateral acquired after a change of name, identity or corporate structure of the debtor (subdivision (7)). The financing statement must include a statement that the name, identity or corporate structure of the debtor has been changed and give the date of filing and the file number of the prior financing statement and the name of the debtor as shown in the prior financing statement.

(3) A form substantially as follows is sufficient to comply with subdivision (1):

Name of debtor (or assigner) _____
Address _____
Name of secured party (or assignee) _____
Address _____
Debtor's trade name or style, if any _____
1. This financing statement covers the following types (or items) of property: (Describe) _____
2. (If collateral is crops) The above-described crops are growing or are to be grown on: (Describe real estate) _____

_____

3. (If applicable) The above goods are or are to become fixtures on* (Describe real estate) _____

_____

and this financing statement is to be recorded in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is _____
4. (If products of collateral are claimed) Products of the collateral are also covered.

(Use whichever is applicable)

_____
Signature of debtor (or assigner)

_____
Signature of secured party (or assignee)

*Where appropriate substitute either "The above timber is standing on ...." or "The above mineral or the like (including oil and gas) or accounts will be financed at the wellhead or minehead of the well or mine located on ."

(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party, or by the secured party alone in the case of an amendment pursuant to subdivision (7). An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this division, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering

minerals or the like (including oil and gas) or accounts subject to subdivision (5) of Section 9103, or a financing statement filed as a fixture filing (Section 9313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be recorded in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner. A financing statement filed as a fixture filing (Section 9313) where the debtor is not a transmitting utility must also recite either that it is filed as a fixture filing or that it covers goods which are or are to become fixtures.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if all of the following conditions are met:

(a) The goods are described in the mortgage by item or type.

(b) The goods are or are to become fixtures related to the real estate described in the mortgage.

(c) The mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records.

(d) The mortgage is duly recorded.

No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or names of partners. Where the debtor so changes his or her name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement or an appropriate amendment to the filed financing statement is filed before the acquisition of the collateral by the debtor. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. A financing statement filed as a fixture filing (Section 9313) where the debtor is not a transmitting utility is not effective if it does not recite that it is to be recorded in the real estate records and either that it is filed as a fixture filing or that it covers goods which are or are to become fixtures.

(9) A financing statement substantially complying with the

requirements of this section creates a security interest only to the extent of the interest of the debtor.

(10) No person or entity acting for or on behalf of the parties to a financing statement shall incur any liability for the consequences of recording a financing statement in the real estate records, and no action may be brought or maintained against that person or entity as a result of the recordation.

SEC. 2. Section 9403 of the Commercial Code is amended to read:

9403. (1) Presentation for filing of a financing statement, tender of the filing fee and acceptance of the statement by the filing officer constitutes filing under this division.

(2) Except as provided in subdivision (6), a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of such five-year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period, whichever occurs later. Upon such lapse the security interest becomes unperfected unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse. If a fixture filing is effective at the time insolvency proceedings are commenced by or against the debtor, the fixture filing remains effective until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period or termination pursuant to subdivision (6), whichever occurs later. Upon lapse of a fixture filing, it is deemed to have been ineffective as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party of record within six months prior to the expiration of the five-year period specified in subdivision (2). Any such continuation statement must be signed by the secured party of record, identify the original statement by giving the date and the names of the parties thereto and the file number thereof and state that the original statement is continued. A continuation statement filed to continue the effectiveness of a financing statement filed as a fixture filing (Section 9313) is not effective unless the following requirements are met:

(a) If the debtor did not have an interest of record in the real estate as of the date of the filing of the original statement, the continuation statement shall contain the name of a record owner of the real estate as of the date of the filing of the original statement.

(b) The continuation statement shall contain substantially the following statement: "This continuation statement is filed to continue the effectiveness of a financing statement filed as a fixture filing"; provided, that such statement shall clearly indicate the intent

to continue the effectiveness of a financing statement as a fixture filing.

Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subdivision (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. The filing officer may remove a lapsed financing statement and related filings from the files and destroy them immediately if he or she has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he or she physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subdivision (6) shall be retained. The filing officer shall not destroy a financing statement and related filings as to which he or she has received written notice that there is an action pending relative thereto or that insolvency proceedings have been commenced by or against the debtor.

(4) Except as provided in subdivision (7) a filing officer shall mark each financing statement with a consecutive file number and with the date and time of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statement according to the name of the debtor and shall note in the index the file number and the address of the debtor given in this statement. The filing officer shall mark each continuation statement with the date and time of filing and shall index the same under the file number of the original financing statement.

(5) The uniform fee for filing, indexing and furnishing filing data (subdivision (1) of Section 9407) for an original financing statement, an amendment or a continuation statement shall be five dollars ($5) if the statement is in the standard form prescribed by the Secretary of State and otherwise shall be six dollars ($6).

(6) If the debtor is a transmitting utility (subdivision (5) of Section 9401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subdivision (6) of Section 9402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) A financing or continuation statement covering collateral described in paragraph (b) of subdivision (1) of Section 9401 or filed as a fixture filing shall be recorded and indexed by the filing officer in the real property index of grantors under the name of the debtor and any owner of record shown on the financing statement. A

financing or continuation statement so recorded and indexed and containing a description of real property affected thereby shall constitute constructive notice from the time of its acceptance for recording to any purchaser or encumbrancer of the real property of the security interest in such collateral.

(8) The standard form of original financing statement prescribed by the Secretary of State pursuant to subdivision (5) shall include the wording "Financing statements are effective, with certain exceptions, only for five years from the date of filing, pursuant to Section 9403 of the California Commercial Code." or substantially equivalent warning language as prescribed by the Secretary of State.

SEC. 3. Section 10104 of the Commercial Code, as added by Chapter 1359 of the Statutes of 1988, is amended to read:

10104. (1) A lease, although subject to this division, is also subject to any applicable:

(a) Statute of the United States.

(b) Certificate of title statute of this state, including the provisions of the Vehicle Code that require registration of a vehicle or boat and provisions of the Health and Safety Code that require registration of a mobilehome or commercial coach.

(c) Certificate of title statute of another jurisdiction (Section 10105).

(d) Consumer law of this state, both decisional and statutory, including, to the extent that they apply to a consumer lease transaction, Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code, Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code, and Part 4 (commencing with Section 1725) of Division 3 of the Civil Code.

(2) In case of conflict between the provisions of this division, other than Section 10105, subdivision (3) of Section 10304, and subdivision (3) of Section 10305, and any law referred to in subdivision (1), the provisions of that law control.

(3) Failure to comply with any applicable law has only the effect specified therein.

SEC. 4. Section 10506 of the Commercial Code is amended to read:

10506. (1) An action for default under a lease contract, including breach of warranty or indemnity, must be commenced within four years after the cause of action accrued. In a lease contract that is not a consumer lease, by the original lease contract the parties may reduce the period of limitation to not less than one year.

(2) A cause of action for default accrues when the act or omission on which the default or breach of warranty is based is or should have been discovered by the aggrieved party, or when the default occurs, whichever is later. A cause of action for indemnity accrues (a) in the case of an indemnity against liability, when the act or omission on which the claim for indemnity is based is or should have been discovered by the indemnified party, whichever is later, or (b) in the

case of an indemnity against loss or damage, when the person indemnified makes payment thereof.

(3) If an action commenced within the time limited by subdivision (1) is so terminated as to leave available a remedy by another action for the same default or breach of warranty or indemnity, the other action may be commenced after the expiration of the time limited and within six months after the termination of the first action unless the termination resulted from voluntary discontinuance or from dismissal for failure or neglect to prosecute.

(4) This section does not alter the law on tolling of the statute of limitations nor does it apply to causes of action that have accrued before the operative date of this division.

CHAPTER 465

An act to add Section 1569.68 to the Health and Safety Code, relating to residential care facilities for the elderly.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1569.68 is added to the Health and Safety Code, to read:

1569.68. All residential care facilities shall be required to include their current license number in any public advertisement or correspondence.

CHAPTER 466

An act to add Sections 1512.5 and 1569.158 to the Health and Safety Code, relating to residential care facilities.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1512.5 is added to the Health and Safety Code, to read:

1512.5. (a) No residential facility may prohibit the formation of a family council, and, when requested by a member of the resident's family or the resident's responsible party, the family council shall be allowed to meet in a common meeting room of the facility during mutually agreed upon hours.

(b) Facility policies on family councils shall in no way limit the

right of residents and family members to meet independently with outside persons, including members of nonprofit or government organizations or with facility personnel during nonworking hours.

(c) "Family council" for the purpose of this section means a meeting of family members, friends, responsible parties, or agents as defined in Section 14110.8 of the Welfare and Institutions Code of two or more patients to confer in private without facility staff.

(d) Family councils shall also be provided adequate space on a prominent bulletin board or other posting area for the display of meeting notices, minutes, and newsletters.

SEC. 2. Section 1569.158 is added to the Health and Safety Code, to read:

1569.158. (a) No residential care facility for the elderly may prohibit the formation of a family council, and, when requested by a member of the resident's family or the resident's responsible party, the family council shall be allowed to meet in a common meeting room of the facility during mutually agreed upon hours.

(b) Facility policies on family councils shall in no way limit the right of residents and family members to meet independently with outside persons, including members of nonprofit or government organizations or with facility personnel during nonworking hours.

(c) "Family council" for the purpose of this section means a meeting of family members, friends, responsible parties, or agents as defined in Section 14110.8 of the Welfare and Institutions Code of two or more patients to confer in private without facility staff.

(d) Family councils shall also be provided adequate space on a prominent bulletin board or other posting area for the display of meeting notices, minutes, and newsletters.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 467

An act to amend Section 338 of the Code of Civil Procedure, relating to statutes of limitations.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 338 of the Code of Civil Procedure is amended to read:

338. Within three years:

(a) An action upon a liability created by statute, other than a penalty or forfeiture.

(b) An action for trespass upon or injury to real property.

(c) An action for taking, detaining, or injuring any goods or chattels, including actions for the specific recovery of personal property. The cause of action in the case of theft, as defined in Section 484 of the Penal Code, of any article of historical, interpretive, scientific, or artistic significance is not deemed to have accrued until the discovery of the whereabouts of the article by the aggrieved party, his or her agent, or the law enforcement agency which originally investigated the theft.

(d) An action for relief on the ground of fraud or mistake. The cause of action in that case is not to be deemed to have accrued until the discovery, by the aggrieved party, of the facts constituting the fraud or mistake.

(e) An action upon a bond of a public official except any cause of action based on fraud or embezzlement is not to be deemed to have accrued until the discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action upon the bond.

(f) An action against a notary public on his or her bond or in his or her official capacity except that any cause of action based on malfeasance or misfeasance is not deemed to have accrued until discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action; provided, that any action based on malfeasance or misfeasance shall be commenced within one year from discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action or within three years from the performance of the notarial act giving rise to the action, whichever is later; and provided further, that any action against a notary public on his or her bond or in his or her official capacity shall be commenced within six years.

(g) An action for slander of title to real property.

(h) An action commenced under Section 17536 of the Business and Professions Code. The cause of action in that case shall not be deemed to have accrued until the discovery by the aggrieved party, the Attorney General, the district attorney, the county counsel, the

city prosecutor, or the city attorney of the facts constituting grounds for commencing such an action.

(i) An action commenced under the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code). The cause of action in that case shall not be deemed to have accrued until the discovery by the State Water Resources Control Board or a regional water quality control board of the facts constituting grounds for commencing actions under their jurisdiction.

(j) An action to recover for physical damage to private property under Section 19 of Article I of the California Constitution.

CHAPTER 468

An act to repeal Section 899 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor September 14, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 899 of the Welfare and Institutions Code is repealed.

CHAPTER 469

An act to amend Section 204 of the Labor Code, relating to wages.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 204 of the Labor Code is amended to read:

204. All wages, other than those mentioned in Section 201, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. However, salaries of executive, administrative, and professional employees of employers covered by the Fair Labor Standards Act, as set forth pursuant to Section 13(a)(1) of the Fair Labor Standards Act, as

amended through March 1, 1969, in Part 541 of Title 29 of the Code of Federal Regulations, as that part now reads or may be amended to read at any time hereafter, may be paid once a month on or before the 26th day of the month during which the labor was performed if the entire month's salaries, including the unearned portion between the date of payment and the last day of the month, are paid at that time. Notwithstanding any other provision of this section, all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

However, when employees are covered by a collective bargaining agreement that provides different pay arrangements, those arrangements shall apply to the covered employees.

The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.

CHAPTER 470

An act to amend Section 1281.5 of, and to add Section 1281.8 to, the Code of Civil Procedure, relating to arbitration.

[Approved by Governor September 14, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1281.5 of the Code of Civil Procedure is amended to read:

1281.5. (a) Any person, who proceeds to record and enforce a claim of lien by commencement of an action pursuant to Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, shall not thereby waive any right of arbitration which that person may have pursuant to a written agreement to arbitrate, if, in filing an action to enforce the claim of lien, the claimant at the same time presents to the court an application that the action be stayed pending the arbitration of any issue, question, or dispute which is claimed to be arbitrable under the agreement and which is relevant to the action to enforce the claim of lien. The applicant may join with the application for the stay, pending arbitration, a claim of lien otherwise within the jurisdiction of the municipal court.

(b) The failure of a defendant to file a petition pursuant to Section 1281.2 at or before the time he or she answers the complaint filed pursuant to subdivision (a) shall constitute a waiver of that party's right to compel arbitration.

SEC. 2. Section 1281.8 is added to the Code of Civil Procedure, to read:

(a) As used in this section, "provisional remedy" includes the

following:

(1) Attachments and temporary protective orders issued pursuant to Title 6.5 (commencing with Section 481.010) of Part 2.

(2) Writs of possession issued pursuant to Article 2 (commencing with Section 512.010) of Chapter 2 of Title 7 of Part 2.

(3) Preliminary injunctions and temporary restraining orders issued pursuant to Section 527.

(4) Receivers appointed pursuant to Section 564.

(b) A party to an arbitration agreement may file in the court in the county in which an arbitration proceeding is pending, or if an arbitration proceeding has not commenced, in any proper court, an application for a provisional remedy in connection with an arbitrable controversy, but only upon the ground that the award to which the applicant may be entitled may be rendered ineffectual without provisional relief. The application shall be accompanied by a complaint or by copies of the demand for arbitration and any response thereto. If accompanied by a complaint, the application shall also be accompanied by a statement stating whether the party is or is not reserving the party's right to arbitration.

(c) A claim by the party opposing issuance of a provisional remedy, that the controversy is not subject to arbitration, shall not be grounds for denial of any provisional remedy.

(d) An application for a provisional remedy under subdivision (b) shall not operate to waive any right of arbitration which the applicant may have pursuant to a written agreement to arbitrate, if, at the same time as the application for a provisional remedy is presented, the applicant also presents to the court an application that all other proceedings in the action be stayed pending the arbitration of any issue, question, or dispute which is claimed to be arbitrable under the agreement and which is relevant to the action pursuant to which the provisional remedy is sought.

CHAPTER 471

An act to add Section 18705.5 to the Business and Professions Code, relating to the State Athletic Commission.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18705.5 is added to the Business and Professions Code, to read:

18705.5. The commission shall adopt regulations detailing the criteria for approval of a licensed physician pursuant to Section 18705.

CHAPTER 472

An act to add Chapter 1.8 (commencing with Section 15364.80) to Part 6.7 of Division 3 of Title 2 of the Government Code, relating to international trade, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) California confronts an unquestionably international future amidst a fiercely competitive world economy.

(2) California's economy is currently the world's sixth largest, and is projected to be the world's fourth largest by the year 2000.

(3) California is brimming over with a vast array of consumer goods, high-technology products, aerospace equipment, and agricultural commodities, and features a strong work force and an encouraging political climate for international trade.

(4) A growing number of California businesses are looking overseas for promising markets and exciting new growth opportunities.

(5) The developing nations of Europe and the Pacific Rim present many of California's most exciting export markets.

(6) Although California's overseas trade and investment offices continue to perform admirably in promoting California, they cannot reach all developing markets and provide the permanent presence necessary to establish California as a leading player in an increasingly international economy.

(b) The Legislature further finds and declares that it may be appropriate for California to establish one or more overseas trade showcases to promote California's many goods and services. To that end the Legislature enacts this act.

SEC. 2. Chapter 1.8 (commencing with Section 15364.80) is added to Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 1.8. CALIFORNIA SHOWCASE AT TAIPEI WORLD TRADE CENTER

15364.80. The California State World Trade Commission shall conduct a study of the desirability of the state establishing one or more overseas trade showcases at trade centers in Europe and the Pacific Rim to promote California's many goods and services.

15364.85. The commission shall submit a report to the Legislature by March 31, 1990, which does the following:

(a) Recommends the functions of the showcases.

(b) Identifies suitable trade centers or alternative sites for the showcases.

(c) Determines the feasibility of establishing computerized electronic information terminals and other appropriate high-technology communication equipment at the centers.

(d) Identifies the estimated costs to the state for the establishment of showcases on a site-by-site basis.

(e) Identifies the extent to which cooperative agreements could be entered into and costs shared by private industry.

(f) Estimates economic benefits likely to accrue to the State of California.

15364.90. If the report's findings are conclusive that California should establish showcases, then a "California Showcase" shall be established, on a pilot basis, at the Taipei World Trade Center. The showcase shall be established provided funding and resources are made available in a timely fashion so as to take advantage of the up to three years of free rent available at the center.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the timely establishment of showcases at trade centers throughout Europe and the Pacific Rim, it is necessary that this act take effect immediately.

CHAPTER 473

An act to add Section 16857 to the Government Code, and to add Section 10115.10 to the Public Contract Code, relating to state contracts.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 16857 is added to the Government Code, to read:

16857. (a) It shall be unlawful for a person to:

(1) Knowingly and with intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain, acceptance or certification as a minority or women business enterprise, or both, for the purposes of this chapter.

(2) Willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a state official or employee for the purpose of

influencing the acceptance or certification or denial of acceptance or certification of any entity as a minority or women business enterprise, or both.

(3) Willfully and knowingly obstruct, impede, or attempt to obstruct or impede, any state official or employee who is investigating the qualifications of a business entity which has requested acceptance or certification as a minority or women business enterprise, or both.

(4) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain, public moneys to which the person is not entitled under this chapter.

(b) Any person who violates subdivision (a) is guilty of a misdemeanor and shall be liable for a civil penalty not to exceed five thousand dollars ($5,000) for the first violation, and a civil penalty not to exceed twenty thousand dollars ($20,000) for each additional or subsequent violation.

(c) Any person who violates subdivision (a) shall, in addition to the penalties provided for in subdivision (b), be suspended from bidding on, or participating as either a contractor or subcontractor in, any contract awarded by the state for a period of not less than 30 days nor more than one year. However, for an additional or subsequent violation, the period of suspension shall be extended for a period of up to three years. Any person or business who fails to satisfy the penalties imposed pursuant to subdivisions (b) and (c) shall be prohibited from further contracting with the state until the penalties are satisfied.

(d) The awarding department shall report all alleged violations of this section to the Office of Small and Minority Business. The office shall subsequently report all alleged violations to the Attorney General who shall determine whether to bring a civil action against any person or firm for violation of this section.

(e) The office shall monitor the status of all reported violations and shall maintain and make available to all state departments a central listing of all firms and persons who have been determined to have committed violations resulting in suspension.

(f) No awarding department shall enter into any contract with any person suspended for violating this section during the period of the person's suspension. No awarding department shall award a contract to any contractor utilizing the services of any person as a subcontractor suspended for violating this section during the period of the person's suspension.

(g) The awarding department shall check the central listing provided by the office to verify that the person or contractor to whom the contract is being awarded, or any person being utilized as a subcontractor by that person or contractor, is not under suspension for violating this section.

SEC. 2. Section 10115.10 is added to the Public Contract Code, to read:

10115.10. (a) It shall be unlawful for a person to:

(1) Knowingly and with intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain, acceptance or certification as a minority or women business enterprise, or both, for the purposes of this article.

(2) Willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a state official or employee for the purpose of influencing the acceptance or certification or denial of acceptance or certification of any entity as a minority or women business enterprise, or both.

(3) Willfully and knowingly obstruct, impede, or attempt to obstruct or impede, any state official or employee who is investigating the qualifications of a business entity which has requested acceptance or certification as a minority or women business enterprise, or both.

(4) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain, public moneys to which the person is not entitled under this article.

(b) Any person who violates subdivision (a) is guilty of a misdemeanor and shall be liable for a civil penalty not to exceed five thousand dollars ($5,000) for the first violation, and a civil penalty not to exceed twenty thousand dollars ($20,000) for each additional or subsequent violation.

(c) Any person who violates subdivision (a) shall, in addition to the penalties provided for in subdivision (b), be suspended from bidding on, or participating as either a contractor, subcontractor, or supplier in, any state contract or project for a period of not less than 30 days nor more than one year. However, for an additional or subsequent violation the period of suspension shall be extended for a period of up to three years. Any person or business who fails to satisfy the penalties imposed pursuant to subdivisions (b) and (c) shall be prohibited from further contracting with the state until the penalties are satisfied.

(d) The awarding department shall report all alleged violations of this section to the Office of Small and Minority Business. The office shall subsequently report all alleged violations to the Attorney General who shall determine whether to bring a civil action against any person or firm for violation of this section.

(e) The office shall monitor the status of all reported violations and shall maintain and make available to all state departments a central listing of all firms and persons who have been determined to have committed violations resulting in suspension.

(f) No awarding department shall enter into any contract with any person suspended for violating this section during the period of the person's suspension. No awarding department shall award a contract to any contractor utilizing the services of any person as a

subcontractor suspended for violating this section during the period of the person's suspension.

(g) The awarding department shall check the central listing provided by the office to verify that the person or contractor to whom the contract is being awarded, or any person being utilized as a subcontractor by that person or contractor, is not under suspension for violating this section.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 474

An act to amend Section 972.5 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 972.5 of the Military and Veterans Code is amended to read:

972.5. (a) The Department of Veterans Affairs may enter into an agreement with the State Department of Health Services and the State Department of Social Services for purposes of obtaining federal matching funds for the Department of Veterans Affairs to contribute toward the salaries and expenses of county veteran service officers for their activities which are reasonably related to the programs of the State Department of Health Services and the State Department of Social Services which are benefited, or realize cost avoidance, as a result of the services of those officers.

(b) At such time as the United States Department of Health and Human Services makes available additional federal financial participation, the State Department of Social Services may enter into an agreement with the Department of Veterans Affairs for those county veteran service officers' activities specified in subdivision (a). Such an agreement shall have no adverse impact on the General Fund.

(c) The sums obtained each fiscal year pursuant to subdivision (a) shall be disbursed by the Department of Veterans Affairs to counties

for payment of salaries and expenses of county veteran service officers. The Department of Veterans Affairs shall make the disbursement to a county on a pro rata basis in accordance with the actual workload of each county veteran service officer under a formula based on performance to be developed by the Department of Veterans Affairs for these purposes.

CHAPTER 475

An act to add Section 702.6 to the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 702.6 is added to the Unemployment Insurance Code, to read:

702.6. (a) Any employing unit who is an employer under this division may file with the director a written election to cover, for the purposes of Part 2 (commencing with Section 2601) only, services performed by any of the following:

(1) All eligible employees who are a part of a labor organization, provided the election is the result of a negotiated agreement between the employer and the recognized employee organization.

(2) All eligible employees in its employ in one or more distinct establishments or places of business who are not part of a labor organization, when the election is requested by a written petition signed by a majority of the eligible employees to be covered by the election.

(b) "Eligible employee," as used in this section, means an employee who is a California resident whose services are covered under the unemployment compensation laws of another state which does not have a disability insurance program, and who is an "employee," as defined in Section 13004, for whom the employer complies with the personal income tax withholding provisions of Division 6 (commencing with Section 13000).

(c) Upon the filing of an election, the filing entity shall, upon approval by the director, become an employer subject to Part 2 (commencing with Section 2601) to the same extent as other employers, and services performed by its employees who are subject to the election shall be deemed to constitute employment subject to that part. Sections 704, 707, 986, and 2903 shall apply to elections under this section.

CHAPTER 476

An act to add Section 1697.1 to the Labor Code, relating to farm labor contractors.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1697.1 is added to the Labor Code, to read:

1697.1. (a) No person shall make, or cause to be made, false, fraudulent, or misleading representations that employment in the growing or producing of farm products, or an employee benefit related to that employment, will be jeopardized unless an individual or his or her family members pay a fee or other thing of value for transportation by that person to or from the business or worksite of an employer.

(b) Any person who violates this section, or who causes or induces another to violate this section, is guilty of a misdemeanor punishable by a fine of not more than five thousand dollars ($5,000) and not less than five hundred dollars ($500), or imprisonment in the county jail for not more than 30 days, or both.

(c) Any individual claiming to be aggrieved by a violation of this section may bring a civil action for injunctive relief, damages, or both. If the court finds that the defendant has violated this section, it shall award actual damages, plus an amount equal to treble the amount of actual damages, or five hundred dollars ($500) per violation, whichever is greater. The court shall also grant a prevailing plaintiff reasonable attorneys' fees and costs.

(d) Any other party who, upon information and belief, claims a violation of this section has been committed may bring a civil action for injunctive relief on behalf of the general public and, upon prevailing, shall recover reasonable attorneys' fees and costs.

SEC. 2. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 477

An act to amend Section 69051 of, and to add Section 77103 to, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 69051 of the Food and Agricultural Code is amended to read:

69051. The powers and duties of the commission, subject to Sections 69032 and 69033, shall include, but are not limited to, all of the following powers and duties:

(a) To adopt and from time to time alter, rescind, modify, and amend all proper and necessary bylaws, rules, regulations, and orders for carrying out this chapter, including rules for appeals from any bylaw, rule, regulation, or order of the commission.

(b) To administer and enforce this chapter, and to do and perform all acts and exercise all powers incidental to, or in connection with, or determined reasonably necessary for, proper or advisable effectuation of the purposes of this chapter.

(c) To appoint its own officers, including a chairman, one or more vice chairmen, and any other officers as it determines necessary. The officers shall have the powers and duties delegated to them by the commission.

(d) To employ a manager to serve at the pleasure of the commission as president and chief executive officer of the commission, and other personnel, including legal counsel, that is necessary to carry out this chapter. The commission may retain a management firm or the staff from any board, commission, or committee of the state to perform the functions prescribed by this subdivision under the control of the commission. If the manager engages in any conduct which the director determines is not in the public interest or which is in violation of this chapter, the director shall notify the commission of the conduct and request that corrective and, if appropriate, disciplinary action be taken by the commission. If the commission fails or refuses to correct the situation or to take disciplinary action satisfactory to the director, the director may suspend or discharge the manager.

(e) To fix the compensation for all employees of the commission.

(f) To appoint committees composed of both members and nonmembers of the commission, such as a processor advisory committee, to advise the commission in carrying out this chapter.

(g) To establish offices and incur expenses, invest funds in the permissible investments as specified in Section 58939, enter into any and all contracts and agreements, and create liabilities and borrow

funds in advance of receipt of assessments as may be necessary, in the opinion of the commission, for the proper administration and enforcement of this chapter and the performance of its duties.

(h) To keep accurate books, records, and accounts of all of its dealings, which books, records, and accounts shall be subject to an annual audit by an auditing firm selected by the commission with the concurrence of the director. The audit shall be made a part of an annual report to all producers of pistachios, copies of which shall also be submitted to the Legislature and the Department of Food and Agriculture. In addition, the director may, as he or she determines necessary, conduct or cause to be conducted a fiscal and compliance audit of the commission. The Department of Finance may audit books, records, and accounts of the commission at any time.

(i) To promote the sale of pistachios by advertising and other promotional means, including cost-sharing advertising, for the purpose of maintaining and expending present markets and creating new and larger intrastate, interstate, and foreign markets for pistachios, and to educate and instruct the public with respect to the uses, healthful properties, and nutritional value of pistachios.

(j) To educate and instruct the wholesale and retail trade with respect to proper methods of handling and selling pistachios, make market surveys and analyses, and present facts to, and negotiate with, state, federal, and foreign agencies on matters which affect the marketing of pistachios.

(k) To make, in the name of the commission, contracts to render service in formulating and conducting plans and programs, and any other contracts or agreements as the commission may determine necessary for the promotion of the sale of pistachios.

(*l*) To conduct and contract with others to conduct scientific research, including the study, analysis, dissemination, and accumulation of information obtained from the research or elsewhere, respecting cultural and production practices, and marketing and distribution of pistachios. In connection with the research, the commission shall have the power to accept contributions of, or to match, private, state, or federal funds that may be available for these purposes, and to employ or make contributions of funds to other persons or state or federal agencies conducting the research.

(m) To publish and distribute, without charge, a bulletin or other communication for dissemination of information relating to the pistachio industry, to producers and processors.

(n) To establish an assessment rate to defray operating costs of the commission. Any assessment rate established pursuant to this chapter may be modified in accordance with Section 69081.

(o) To establish an annual budget according to accepted accounting practices. The budget shall be concurred in by the director prior to disbursement of funds, except for disbursements made pursuant to subdivision (e).

(p) To submit to the director for his or her concurrence, an annual

statement of contemplated activities authorized under this chapter, including advertising, promotion, marketing research, and production research.

(q) To administer any governmental program establishing quality standards for the pistachio industry upon request of an authorized agent of a governmental agency.

SEC. 2. Section 77103 is added the Food and Agricultural Code, to read:

77103. During the 1989–90 marketing year, the commission may engage in activities for the domestic market which are otherwise authorized in this chapter with regard to foreign markets if it is determined by the commission that actions or intended actions by foreign entities will substantially interfere with the marketing of walnuts in foreign markets.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the benefits of this act to be available during the 1989–90 growing season, it is necessary that this act take effect immediately.

CHAPTER 478

An act to amend Section 4707 of the Labor Code, relating to workers' compensation.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 15, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4707 of the Labor Code is amended to read:

4707. (a) Except as provided in subdivision (b), no benefits, except reasonable expenses of burial not exceeding one thousand dollars ($1,000), shall be awarded under this division on account of the death of an employee who is an active member of the Public Employees' Retirement System unless it is determined that a special death benefit, as defined in the Public Employees' Retirement Law, or the benefit provided in lieu of the special death benefit in Section 21365.6 of the Government Code, will not be paid by the Public Employees' Retirement System to the surviving spouse or children under 18 years of age, of the deceased, on account of the death, but if the total death allowance paid to the surviving spouse and children is less than the benefit otherwise payable under this division the surviving spouse and children are entitled, under this division, to the difference.

The amendments to this section during the 1977–78 Regular

Session shall be applied retroactively to July 1, 1976.

(b) The limitation prescribed by subdivision (a) shall not apply to local safety members of the Public Employees' Retirement System.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 479

An act to amend Sections 1666, 13954, 23152, 23153, and 23155 of the Vehicle Code, relating to driving offenses.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1666 of the Vehicle Code is amended to read:

1666 The department shall do all of the following:

(a) Include at least one question in each test of an applicant's knowledge and understanding of the provisions of this code, as administered pursuant to Section 12804 or 12814, to verify that the applicant has read and understands the table of blood alcohol concentration published in the Driver's Handbook made available pursuant to subdivision (b) of Section 1656. In order to minimize costs, the question or questions shall be initially included at the earliest opportunity when the test is otherwise revised or reprinted.

(b) Include with each driver's license or certificate of renewal and each vehicle registration renewal mailed by the department, information which shows with reasonable certainty the amount of alcohol consumption necessary for a person to reach a 0.08 percent blood alcohol concentration by weight.

SEC. 2. Section 13954 of the Vehicle Code is amended to read:

13954. (a) Notwithstanding any other provision of this code, the department shall immediately suspend or revoke the driving privilege of any person who the department has reasonable cause to believe was in any manner involved in an accident while operating a motor vehicle if, at the time of the accident, that person had 0.08

percent or more, by weight, of alcohol in his or her blood and he or she proximately caused the accident as a result of any act prohibited, or the neglect of any duty imposed, by law and the accident occurred within five years of the date of a violation of paragraph (3) or (4) of subdivision (c) of Section 192 of the Penal Code which resulted in a conviction.

(b) If an accident described in subdivision (a) does not result in a conviction or finding of violation of Section 23152 or 23153, the department shall suspend the driving privilege under this section for one year from the date of actual commencement of the suspension. After the one-year suspension period, the driving privilege may be reinstated if evidence establishes to the satisfaction of the department that no grounds exist which would authorize the refusal to issue a license, that reinstatement of the driving privilege would not jeopardize the safety of the person or other persons upon the highways, and if the person gives proof of ability to respond in damages as defined in Section 16430.

(c) If an accident described in subdivision (a) does result in a conviction or finding of a violation of Section 23152 or 23153, the department shall revoke the driving privilege under this section for three years from the date of actual commencement of the revocation. After the three-year revocation period, the driving privilege may be reinstated if evidence establishes to the satisfaction of the department that no grounds exist which would authorize the refusal to issue a license and that reinstatement of the driving privilege would not jeopardize the safety of the person or other persons upon the highways and if the person gives proof of the ability to respond in damages as defined in Section 16430.

(d) Any revocation action under subdivision (c) shall be imposed as follows:

(1) If the accident results in a first conviction of a violation of Section 23152 or 23153, or if the person was convicted of a separate violation of Section 23152 or 23153 which occurred within five years of the accident, the period of revocation under subdivision (c) shall be concurrent with any period of restriction, suspension, or revocation imposed under Section 13352 or 13352.5.

(2) If the person was convicted of two or more separate violations of Section 23152 or 23153, or both, which occurred within five years of the accident, the period of revocation under subdivision (c) shall be cumulative and shall be imposed consecutively with any period of restriction, suspension, or revocation imposed under Section 13352 or 13352.5.

(e) The department shall immediately notify the person in writing of the action taken and, upon the person's request in writing and within 15 days from the date of receipt of that request, shall grant the person an opportunity for a hearing in the same manner and under the same conditions as provided in Article 3 (commencing with Section 14100) of Chapter 3, except as otherwise provided in this section. For purposes of this section, the scope of the hearing

shall cover the issues of whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23152 or 23153, whether the person had been placed under lawful arrest, and whether a chemical test of the person's blood, breath, or urine indicated that the blood-alcohol level was 0.08 percent or more, by weight, at the time of testing. If the department determines, upon a hearing of the matter, that the person had not been placed under lawful arrest, or that a chemical test of the person's blood, breath, or urine did not indicate a blood-alcohol level of 0.08 percent or more, by weight, at the time of testing, the suspension or revocation shall be immediately terminated.

(f) This section is applicable if the accident occurred on or after January 1, 1990, without regard for the dates of the violations referred to in subdivisions (a) and (d).

(g) Notwithstanding subdivision (f), if a person's privilege to operate a motor vehicle is required to be suspended or revoked pursuant to this section as it read before January 1, 1990, as a result of an accident which occurred before January 1, 1990, the privilege shall be suspended or revoked pursuant to this section as it read before January 1, 1990.

SEC. 3. Section 23152 of the Vehicle Code is amended to read:

23152. (a) It is unlawful for any person who is under the influence of an alcoholic beverage or any drug, or under the combined influence of an alcoholic beverage and any drug, to drive a vehicle.

(b) It is unlawful for any person who has 0.08 percent or more, by weight, of alcohol in his or her blood to drive a vehicle.

For purposes of this subdivision, percent, by weight, of alcohol shall be based upon grams of alcohol per 100 milliliters of blood.

In any prosecution under this subdivision, it is a rebuttable presumption that the person had 0.08 percent or more, by weight, of alcohol in his or her blood at the time of driving the vehicle if the person had 0.08 percent or more, by weight, of alcohol in his or her blood at the time of the performance of a chemical test within three hours after the driving.

(c) It is unlawful for any person who is addicted to the use of any drug to drive a vehicle. This subdivision shall not apply to a person who is participating in a methadone maintenance treatment program approved pursuant to Article 3 (commencing with Section 4350) of Chapter 1 of Part 1 of Division 4 of the Welfare and Institutions Code.

SEC. 4. Section 23153 of the Vehicle Code is amended to read:

23153. (a) It is unlawful for any person, while under the influence of an alcoholic beverage or any drug, or under the combined influence of an alcoholic beverage and any drug, to drive a vehicle and, when so driving, do any act forbidden by law or neglect any duty imposed by law in the driving of the vehicle, which act or neglect proximately causes bodily injury to any person other

than the driver.

(b) It is unlawful for any person, while having 0.08 percent or more, by weight, of alcohol in his or her blood to drive a vehicle and, when so driving, do any act forbidden by law or neglect any duty imposed by law in the driving of the vehicle, which act or neglect proximately causes bodily injury to any person other than the driver.

For purposes of this subdivision, percent, by weight, of alcohol shall be based upon grams of alcohol per 100 milliliters of blood.

In any prosecution under this subdivision, it is a rebuttable presumption that the person had 0.08 percent or more, by weight, of alcohol in his or her blood at the time of driving the vehicle if the person had 0.08 percent or more, by weight, of alcohol in his or her blood at the time of the performance of a chemical test within three hours after the driving.

(c) In proving the person neglected any duty imposed by law in the driving of the vehicle, it is not necessary to prove that any specific section of this code was violated.

SEC. 5. Section 23155 of the Vehicle Code is amended to read:

23155. (a) Upon the trial of any criminal action, or preliminary proceeding in a criminal action, arising out of acts alleged to have been committed by any person while driving a vehicle while under the influence of an alcoholic beverage in violation of subdivision (a) of Section 23152 or subdivision (a) of Section 23153, the amount of alcohol in the person's blood at the time of the test as shown by chemical analysis of that person's blood, breath, or urine shall give rise to the following presumptions affecting the burden of proof:

(1) If there was at that time less than 0.05 percent by weight of alcohol in the person's blood, it shall be presumed that the person was not under the influence of an alcoholic beverage at the time of the alleged offense.

(2) If there was at that time 0.05 percent or more but less than 0.08 percent by weight of alcohol in the person's blood, that fact shall not give rise to any presumption that the person was or was not under the influence of an alcoholic beverage, but the fact may be considered with other competent evidence in determining whether the person was under the influence of an alcoholic beverage at the time of the alleged offense.

(3) If there was at that time 0.08 percent or more by weight of alcohol in the person's blood, it shall be presumed that the person was under the influence of an alcoholic beverage at the time of the alleged offense.

(b) Percent by weight of alcohol in the blood shall be based upon grams of alcohol per 100 milliliters of blood.

(c) This section shall not be construed as limiting the introduction of any other competent evidence bearing upon the question whether the person ingested any alcoholic beverage or was under the influence of an alcoholic beverage at the time of the alleged offense.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the

only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 480

An act to amend Section 1700.5 of the Labor Code, relating to talent agencies.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 15, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1700.5 of the Labor Code is amended to read:

1700.5. No person shall engage in or carry on the occupation of a talent agency without first procuring a license therefor from the Labor Commissioner. The license shall be posted in a conspicuous place in the office of the licensee. The license number shall be referred to in any advertisement for the purpose of the solicitation of talent for the talent agency.

Licenses issued for talent agencies prior to the effective date of this chapter shall not be invalidated thereby, but renewals of those licenses shall be obtained in the manner prescribed by this chapter.

CHAPTER 481

An act to amend Sections 69.5 and 1603 of, and to add Sections 1615 and 1624.05 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 69.5 of the Revenue and Taxation Code, as amended by Section 2.5 of Chapter 1271 of the Statutes of 1988, is amended to read:

69.5. (a) (1) Notwithstanding any other provision of law, pursuant to subdivision (a) of Section 2 of Article XIII A of the California Constitution, any person over the age of 55 years who

resides in property which is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218 may transfer, subject to the conditions and limitations provided in this section, the base year value of that property to any replacement dwelling of equal or lesser value which is located within the same county and is purchased or newly constructed by that person as his or her principal residence within two years of the sale by that person of the original property, provided that the base year value of the original property shall not be transferred to the replacement dwelling until the original property is sold.

(2) Notwithstanding the limitation in paragraph (1) requiring that the original property and the replacement dwelling be located in the same county, this limitation shall not apply in any county in which the county board of supervisors, after consultation with local affected agencies within the boundaries of the county, adopts an ordinance making the provisions of paragraph (1) also applicable to situations in which replacement dwellings are located in that county and the original properties are located in another county within this state. The authorization contained in this paragraph shall be applicable in a county only if the ordinance adopted by the board of supervisors complies with the following requirements:

(A) It is adopted only after consultation between the board of supervisors and all other local affected agencies within the county's boundaries.

(B) It requires that all claims for transfers of base year value from original property located in another county be granted if the claims meet the applicable requirements of both subdivision (a) of Section 2 of Article XIII A of the California Constitution and this section.

(C) It requires that all base year valuations of original property located in another county and determined by its assessor be accepted in connection with the granting of claims for transfers of base year value.

(D) The ordinance provides that its provisions shall remain operative for a period of not less than five years.

(E) The ordinance specifies the date on and after which its provisions shall be applicable. However, the date specified shall not be earlier than November 9, 1988. The specified applicable date may be a date earlier than the date the county adopts the ordinance.

(b) In addition to meeting the requirements of subdivision (a), any person claiming the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:

(1) The claimant is an owner and a resident of the original property either at the time of its sale or within two years of the purchase or new construction of the replacement dwelling.

(2) The original property is eligible for the homeowner's exemption, as the result of the claimant's ownership and occupation of the property as his or her principal residence, either at the time

of its sale or within two years of the purchase or new construction of the replacement dwelling.

(3) At the time of the sale of the original property, the claimant or the claimant's spouse who resides with the claimant is at least 55 years of age.

(4) At the time of claiming the property tax relief provided by subdivision (a), the claimant is an owner of a replacement dwelling and occupies it as his or her principal place of residence and, as a result thereof, the property is currently eligible for the homeowner's exemption or would be eligible for the exemption except that the property is already receiving the exemption because of an exemption claim filed by the previous owner.

(5) The original property of the claimant is sold by him or her within two years of the purchase or new construction of the replacement dwelling. For purposes of this paragraph, the purchase or new construction of the replacement dwelling includes the purchase of that portion of land on which the replacement building, structure, or other shelter constituting a place of abode of the claimant will be situated and which, pursuant to paragraph (3) of subdivision (g), constitutes a part of the replacement dwelling.

(6) (A) For purposes of paragraph (1) of subdivision (a), the replacement dwelling, including that portion of land on which it is situated which is specified in paragraph (5), is located entirely within the same county as the claimant's original property.

(B) For purposes of paragraph (2) of subdivision (a), the replacement dwelling, including that portion of the land on which it is situated which is specified in paragraph (5), is located entirely within the county.

(7) The claimant has not previously been granted the property tax relief provided by this section. In order to prevent duplication of claims under this section within this state, county assessors shall report quarterly to the State Board of Equalization that information from claims filed in accordance with subdivision (f) and from county records as is specified by the board necessary to identify fully all claims under this section allowed by assessors. The board may specify that the information include all or a part of the names and social security numbers of claimants and their spouses and the identity and location of the replacement dwelling to which the claim applies. The information may be required in the form of data-processing media or other media and in a format which is compatible with the recordkeeping processes of the counties and the auditing procedures of the state.

(c) The property tax relief provided by this section shall be available if the original property or the replacement dwelling, or both, of the claimant, includes, but is not limited to, either of the following:

(1) A unit or lot within a cooperative housing corporation, a community apartment project, a condominium project, or a planned unit development. If the unit or lot constitutes the original property

of the claimant, the assessor shall transfer to the claimant's replacement dwelling only the base year value of the claimant's unit or lot and his or her share in any common area reserved as an appurtenance of that unit or lot. If the unit or lot constitutes the replacement dwelling of the claimant, the assessor shall transfer the base year value of the claimant's original property only to the unit or lot of the claimant and any share of the claimant in any common area reserved as an appurtenance of that unit or lot.

(2) A mobilehome or a mobilehome and any land owned by the claimant on which the mobilehome is situated. If the mobilehome or the mobilehome and the land on which it is situated constitutes the claimant's original property, the assessor shall transfer to the claimant's replacement dwelling either the base year value of the mobilehome or the base year value of the mobilehome and the land on which it is situated, as appropriate. No transfer of base year value shall be made by the assessor of that portion of land which does not constitute a part of the original property, as provided in paragraph (4) of subdivision (g). If the mobilehome or the mobilehome and the land on which it is situated constitutes the claimant's replacement dwelling, the assessor shall transfer the base year value of the claimant's original property either to the mobilehome or the mobilehome and the land on which it is situated, as appropriate. No transfer of base year value shall be made by the assessor to that portion of land which does not constitute a part of the replacement dwelling, as provided in paragraph (3) of subdivision (g).

This subdivision shall be subject to the limitations specified in subdivision (d).

(d) The property tax relief provided by this section shall be available to a claimant who is the coowner of original property, as a joint tenant, a tenant in common, or a community property owner, subject to the following limitations:

(1) If a single replacement dwelling is purchased or newly constructed by all of the coowners and each coowner retains an interest in the replacement dwelling, the claimant shall be eligible under this section whether or not any or all of the remaining coowners would otherwise be eligible claimants.

(2) If two or more replacement dwellings are separately purchased or newly constructed by two or more coowners and more than one coowner would otherwise be an eligible claimant, only one coowner shall be eligible under this section. These coowners shall determine by mutual agreement which one of them shall be deemed eligible.

(3) If two or more replacement dwellings are separately purchased or newly constructed by two coowners who held the original property as community property, only the coowner who has attained the age of 55 years shall be eligible under this section. If both spouses are over 55 years of age, they shall determine by mutual agreement which one of them shall be deemed eligible.

In the case of coowners whose original property is a multiunit

dwelling, the limitations imposed by paragraphs (2) and (3) shall only apply to coowners who occupied the same dwelling unit within the original property at the time specified in paragraph (2) of subdivision (b).

(e) Upon the sale of original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1, whether or not a replacement dwelling is subsequently purchased or newly constructed by the former owner or owners of the original property.

This section shall not apply unless the transfer of the original property is a change in ownership which either (1) subjects that property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803 or (2) results in a base year value determined in accordance with this section because the property qualifies as a replacement dwelling.

(f) A claimant shall not be eligible for the property tax relief provided by this section unless the claimant provides to the assessor, on a form which the assessor shall make available upon request, the following information:

(1) The name and social security number of the claimant and of any spouse of the claimant who was a record owner of the original property at the time of its sale or is a record owner of the replacement dwelling.

(2) Proof that the claimant or the claimant's spouse who resided on the original property with the claimant was, at the time of its sale, at least 55 years of age. In the absence of available proof, the claimant shall certify under penalty of perjury that the age requirement is met.

(3) The address and, if known, the assessor's parcel number of the original property and, if the original property is located within another county, the name of the county or counties and, if applicable, city or cities in which the original property is located.

(4) The date of the claimant's sale of the original property and the date of the claimant's purchase or new construction of a replacement dwelling.

(5) A statement by the claimant that he or she occupied the replacement dwelling as his or her principal place of residence on the date of the filing of his or her claim.

(6) If the original property and the replacement dwelling are located in different counties, the base year value of the original property determined by the assessor of the county in which the original property is located.

The State Board of Equalization shall design the form for claiming eligibility.

Any claim under this section shall be filed within three years of the date the replacement dwelling was purchased or the new construction of the replacement dwelling was completed.

(g) For purposes of this section:

(1) "Person over the age of 55 years" means any person or the spouse of any person who has attained the age of 55 years or older at the time of the sale of original property.

(2) "Base year value of the original property" means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property is sold by the claimant.

If the replacement dwelling is purchased or newly constructed after the transfer of the original property, "base year value of the original property" also includes any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the sale of the original property. The base year or years used to compute the "base year value of the original property" shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(3) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, which is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size which is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate replacement dwelling.

(4) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, which is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of original property includes only that area of reasonable size which is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate original property.

(5) "Equal or lesser value" means that the amount of the full cash value of a replacement dwelling does not exceed one of the following:

(A) One hundred percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed prior to the date of the date of the sale of the original property.

(B) One hundred and five percent of the amount of the full cash

value of the original property if the replacement dwelling is purchased or newly constructed within the first year following the date of the sale of the original property.

(C) One hundred and ten percent of the amount of the full cash value of the original property if either of the following conditions are met:

(i) The replacement dwelling is purchased or newly constructed within the second year following the date of the sale of the original property.

(ii) The replacement dwelling is purchased or newly constructed on or after November 5, 1986, and on or before January 1, 1988, and within two years of the sale of the original property.

For the purposes of this paragraph, if the replacement dwelling is, in part, purchased and, in part, newly constructed, the date the "replacement dwelling is purchased or newly constructed" is the date of purchase or the date of completion of construction, whichever is later.

(6) "Full cash value of the replacement dwelling" means its full cash value, determined in accordance with Section 110.1, as of the date on which it was purchased or new construction was completed, and after the purchase or the completion of new construction.

(7) "Full cash value of the original property" means its new base year value, determined in accordance with subdivision (e), without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A and subdivision (f) of Section 110.1 for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(8) "Sale" means any change in ownership of the original property for consideration.

(9) "Claimant" means any person claiming the property tax relief provided by this section. If a spouse of that person is a record owner of the original property or the replacement dwelling, whether or not that spouse joined in the claim, the spouse shall also be deemed a claimant for purposes of determining whether in any future claim filed by the spouse under this section the condition of eligibility specified in paragraph (7) of subdivision (b) has or has not been met by the spouse.

(10) "Property which is eligible for the homeowner's exemption" includes property which is the principal place of residence of its owner and is entitled to exemption pursuant to Section 205.5.

(11) "Consultation" means a noticed hearing conducted by a county board of supervisors concerning the adoption of an ordinance described in paragraph (2) of subdivision (a) and with respect to which all local affected agencies within the boundaries of the county are provided with reasonable notice of the time and place of the hearing and a reasonable opportunity to appear and participate at the hearing.

(12) "Local affected agency" means any city, special district, school district, or community college district which receives an annual property tax revenue allocation.

(h) Upon the timely filing of a claim, the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

(1) The date the original property is sold.

(2) The date the replacement dwelling is purchased.

(3) The date the new construction of the replacement dwelling is completed.

Any taxes which were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling's new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount which would be due when determined on the basis of the adjusted new base year value.

Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.

(i) (1) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, this section shall apply to any replacement dwelling which is purchased or newly constructed on or after November 5, 1986.

(2) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, this section shall apply to any replacement dwelling which is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

(j) The amendments to this section made by the act adding this subdivision, and the amendments to this section during the 1989 portion of the 1989–90 Regular Session of the Legislature, shall remain operative only until January 1, 1999, and on that date are repealed.

SEC. 2. Section 1603 of the Revenue and Taxation Code is amended to read:

1603. (a) A reduction in an assessment on the local roll shall not be made unless the party affected or his or her agent makes and files with the county board a verified, written application showing the facts claimed to require the reduction and the applicant's opinion of the full value of the property. The form for the application shall be prescribed by the State Board of Equalization.

(b) The application shall be filed within the time period beginning July 2 and continuing through and including September

15. An application that is mailed and postmarked September 15 or earlier within that period shall be deemed to have been filed within the time period beginning July 2 and continuing through and including September 15. If the taxpayer does not receive the notice of assessment described in Section 619 at least 15 calendar days prior to the deadline to file the application described in this subdivision, the party affected, or his or her agent, may file an application within 60 days of receipt of the notice of assessment or within 60 days of the mailing of the tax bill, whichever is earlier, along with an affidavit declaring under penalty of perjury that the notice was not timely received.

(c) However, the application may be filed within 12 months following the month in which the assessee is notified of the assessment, if the party affected or his or her agent and the assessor stipulate that there is an error in the assessment as the result of the exercise of the assessor's judgment in determining the full cash value of the property and a written stipulation as to the full cash value and assessed value is filed in accordance with Section 1607.

(d) In the form provided for making application pursuant to this section, there shall be a notice that written findings of facts of the local equalization hearing will be available upon written request at the requester's expense and, if not so requested, the right to such written findings is waived. The form shall provide appropriate space for the applicant to request written findings of facts as provided by Section 1611.5.

SEC. 3. Section 1615 is added to the Revenue and Taxation Code, to read:

1615. No action or proceeding shall be brought in any court on behalf of any governmental officer, agency or entity to review a decision of the county board of equalization or an assessment appeals board unless such action or proceeding is commenced within six months from the date the board makes its final determination.

SEC. 4. Section 1624.05 is added to the Revenue and Taxation Code, to read:

1624.05. A person shall not be eligible for nomination for membership on an assessment appeals board unless he or she has a minimum of five years' professional experience in this state as one of the following: certified public accountant or public accountant, licensed real estate broker, attorney, or property appraiser accredited by a nationally recognized professional organization.

(a) This section shall apply only to an assessment appeals board in a county with a population of 1,000,000 or more.

(b) County population estimates conducted by the Department of Finance pursuant to Section 13073.5 if the Government Code shall be used in determining the population of a county for purposes of this section.

CHAPTER 482

An act to amend Section 987 of the Civil Code, relating to fine art.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 987 of the Civil Code is amended to read:

987. (a) The Legislature hereby finds and declares that the physical alteration or destruction of fine art, which is an expression of the artist's personality, is detrimental to the artist's reputation, and artists therefore have an interest in protecting their works of fine art against any alteration or destruction; and that there is also a public interest in preserving the integrity of cultural and artistic creations.

(b) As used in this section:

(1) "Artist" means the individual or individuals who create a work of fine art.

(2) "Fine art" means an original painting, sculpture, or drawing, or an original work of art in glass, of recognized quality, but shall not include work prepared under contract for commercial use by its purchaser.

(3) "Person" means an individual, partnership, corporation, association or other group, however organized.

(4) "Frame" means to prepare, or cause to be prepared, a work of fine art for display in a manner customarily considered to be appropriate for a work of fine art in the particular medium.

(5) "Restore" means to return, or cause to be returned, a deteriorated or damaged work of fine art as nearly as is feasible to its original state or condition, in accordance with prevailing standards.

(6) "Conserve" means to preserve, or cause to be preserved, a work of fine art by retarding or preventing deterioration or damage through appropriate treatment in accordance with prevailing standards in order to maintain the structural integrity to the fullest extent possible in an unchanging state.

(7) "Commercial use" means fine art created under a work-for-hire arrangement for use in advertising, magazines, newspapers, or other print and electronic media.

(c) (1) No person, except an artist who owns and possesses a work of fine art which the artist has created, shall intentionally commit, or authorize the intentional commission of, any physical defacement, mutilation, alteration, or destruction of a work of fine art.

(2) In addition to the prohibitions contained in paragraph (1), no person who frames, conserves, or restores a work of fine art shall commit, or authorize the commission of, any physical defacement, mutilation, alteration, or destruction of a work of fine art by any act constituting gross negligence. For purposes of this section, the term

"gross negligence" shall mean the exercise of so slight a degree of care as to justify the belief that there was an indifference to the particular work of fine art.

(d) The artist shall retain at all times the right to claim authorship, or, for a just and valid reason, to disclaim authorship of his or her work of fine art.

(e) To effectuate the rights created by this section, the artist may commence an action to recover or obtain any of the following:

(1) Injunctive relief.

(2) Actual damages.

(3) Punitive damages. In the event that punitive damages are awarded, the court shall, in its discretion, select an organization or organizations engaged in charitable or educational activities involving the fine arts in California to receive any punitive damages.

(4) Reasonable attorneys' and expert witness fees.

(5) Any other relief which the court deems proper.

(f) In determining whether a work of fine art is of recognized quality, the trier of fact shall rely on the opinions of artists, art dealers, collectors of fine art, curators of art museums, and other persons involved with the creation or marketing of fine art.

(g) The rights and duties created under this section:

(1) Shall, with respect to the artist, or if any artist is deceased, his or her heir, beneficiary, devisee, or personal representative, exist until the 50th anniversary of the death of the artist.

(2) Shall exist in addition to any other rights and duties which may now or in the future be applicable.

(3) Except as provided in paragraph (1) of subdivision (h), may not be waived except by an instrument in writing expressly so providing which is signed by the artist.

(h) (1) If a work of fine art cannot be removed from a building without substantial physical defacement, mutilation, alteration, or destruction of the work, the rights and duties created under this section, unless expressly reserved by an instrument in writing signed by the owner of the building, containing a legal description of the property and properly recorded, shall be deemed waived. The instrument, if properly recorded, shall be binding on subsequent owners of the building.

(2) If the owner of a building wishes to remove a work of fine art which is a part of the building but which can be removed from the building without substantial harm to the fine art, and in the course of or after removal, the owner intends to cause or allow the fine art to suffer physical defacement, mutilation, alteration, or destruction, the rights and duties created under this section shall apply unless the owner has diligently attempted without success to notify the artist, or, if the artist is deceased, his or her heir, beneficiary, devisee, or personal representative, in writing of his intended action affecting the work of fine art, or unless he did provide notice and that person failed within 90 days either to remove the work or to pay for its removal. If the work is removed at the expense of the artist, his or

her heir, beneficiary, devisee, or personal representative, title to the fine art shall pass to that person.

(3) If a work of fine art can be removed from a building scheduled for demolition without substantial physical defacement, mutilation, alteration, or destruction of the work, and the owner of the building has notified the owner of the work of fine art of the scheduled demolition or the owner of the building is the owner of the work of fine art, and the owner of the work of fine art elects not to remove the work of fine art, the rights and duties created under this section shall apply, unless the owner of the building has diligently attempted without success to notify the artist, or, if the artist is deceased, his or her heir, beneficiary, devisee, or personal representative, in writing of the intended action affecting the work of fine art, or unless he did provide notice and that person failed within 90 days either to remove the work or to pay for its removal. If the work is removed at the expense of the artist, his or her heir, beneficiary, devisee, or personal representative, title to the fine art shall pass to that person.

(4) Nothing in this subdivision shall affect the rights of authorship created in subdivision (d) of this section.

(i) No action may be maintained to enforce any liability under this section unless brought within three years of the act complained of or one year after discovery of the act, whichever is longer.

(j) This section shall become operative on January 1, 1980, and shall apply to claims based on proscribed acts occurring on or after that date to works of fine art whenever created.

(k) If any provision of this section or the application thereof to any person or circumstance is held invalid for any reason, the invalidity shall not affect any other provisions or applications of this section which can be effected without the invalid provision or application, and to this end the provisions of this section are severable.

SEC. 2. It is the intent of the Legislature that the amendment to Section 987 of the Civil Code made by this act shall not apply to a work of fine art that is a part of a building for which a demolition permit has been issued prior to the effective date of this act.

CHAPTER 483

An act to add Section 2893 to the Public Utilities Code, relating to privacy.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Telephone subscribers have a right to privacy, and the

protection of this right to privacy is of paramount state concern.

(b) To exercise their right of privacy, telephone subscribers must be able to limit the dissemination of their telephone number to persons of their choosing.

SEC. 2. Section 2893 is added to the Public Utilities Code, to read:

2893. (a) The commission shall, by rule or order, require that every telephone call identification service offered in this state by a telephone corporation, or by any other person or corporation that makes use of the facilities of a telephone corporation, shall allow a caller to withhold display of the caller's telephone number, on an individual basis, from the telephone instrument of the individual receiving the telephone call placed by the caller.

(b) There shall be no charge to the caller who requests that his or her telephone number be withheld from the recipient of any call placed by the caller.

(c) The commission shall direct every telephone corporation to notify its subscribers that their calls may be identified to a called party either:

(1) Thirty or more days before the telephone corporation commences to participate in the offering of a call identification service.

(2) By March 1, 1990, if the telephone corporation is participating in a call identification service prior to January 1, 1990.

(d) This section does not apply to any of the following:

(1) An identification service which is used within the same limited system, including, but not limited to, a Centrex or private branch exchange (PBX) system, as the recipient telephone.

(2) An identification service which is used on a public agency's emergency telephone line or on the line which receives the primary emergency telephone number (911).

(3) Any identification service provided in connection with legally sanctioned call tracing or tapping procedures.

(4) Any identification service provided in connection with any "800" or "900" access code telephone service until the telephone corporation develops the technical capability to comply with subdivision (a), as determined by the commission.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 484

An act to amend Section 854 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 18, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 854 of the Public Utilities Code is amended to read:

854. (a) No person or corporation, whether or not organized under the laws of this state, shall acquire or control either directly or indirectly any public utility organized and doing business in this state without first securing authorization to do so from the commission. The commission may establish by order or rule the definitions of what constitute acquisition or control activities which are subject to this section. Any such acquisition or control without that prior authorization shall be void and of no effect. No public utility organized and doing business under the laws of this state, and no subsidiary or affiliate of, or corporation holding a controlling interest in a public utility, shall aid or abet any violation of this section.

(b) Before authorizing the acquisition or control of any electric, gas, or telephone utility organized and doing business in this state, where the acquiring or to be acquired utility has gross annual California revenues exceeding five hundred million dollars ($500,000,000), the commission shall find that the proposal does both of the following:

(1) Provide net benefits to ratepayers in both the short-term and long-term, and provide a ratemaking method that will ensure, to the fullest extent possible, that ratepayers will receive the forecasted short- and long-term benefits.

(2) Not adversely affect competition. In making this finding, the commission shall request an advisory opinion from the Attorney General regarding whether competition will be adversely affected and what mitigation measures could be adopted to avoid this result.

(c) Before authorizing the acquisition or control of any electric, gas, or telephone utility organized and doing business in this state, where the acquiring or to be acquired utility has gross annual California revenues exceeding five hundred million dollars ($500,000,000), the commission shall consider each of the criteria listed in paragraphs (1) to (7), inclusive, and find, on balance, that the acquisition or control proposal is in the public interest.

(1) Maintain or improve the financial condition of the resulting public utility doing business in the state.

(2) Maintain or improve the quality of service to public utility ratepayers in the state.

(3) Maintain or improve the quality of management of the resulting public utility doing business in the state.

(4) Be fair and reasonable to affected public utility employees, including both union and nonunion employees.

(5) Be fair and reasonable to the majority of all affected public utility shareholders.

(6) Be beneficial on an overall basis to state and local economies, and to the communities in the area served by the resulting public utility.

(7) Preserve the jurisdiction of the commission and the capacity of the commission to effectively regulate and audit public utility operations in the state.

(8) Generally provide mitigation conditions to prevent significant adverse consequences which may result.

(d) When reviewing an acquisition or control proposal, the commission shall consider reasonable options to the proposal recommended by other parties, including no new acquisition or control, to determine whether comparable short-term and long-term benefits can be achieved through other means while avoiding the possible adverse consequences of the proposal.

(e) The person or corporation seeking acquisition or control of a public utility organized and doing business in this state shall have, before the commission, the burden of proving by a preponderance of the evidence that the requirements of subdivisions (b) and (c) are met.

(f) In determining whether an acquiring utility has gross annual revenues exceeding the amount specified in subdivisions (b) and (c), the revenues of that utility's affiliates shall not be considered unless the affiliate was utilized for the purpose of effecting the merger, acquisition, or control.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 485

An act to amend Section 21025.1 of, and to add Section 21365.7 to, the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21025.1 of the Government Code is amended to read:

21025.1. The governing body of a contracting agency shall make its determination within six months of the date of the receipt by the contracting agency of the request by the board pursuant to Section 21024 for a determination with respect to a local safety member.

A local safety member may waive the requirements of this section.

SEC. 2. Section 21365.7 is added to the Government Code, to read:

21365.7. When a member, who is eligible to retire and who has attained the minimum age for voluntary service retirement applicable to him or her in his or her last employment preceding death, dies in circumstances in which the basic death benefit is payable other than solely upon the basis of membership in a county retirement system or a retirement system maintained by the university, and when the member has made a preretirement election of the benefits provided by Section 21365.5 for his or her surviving spouse and, if none, for any eligible surviving children or Section 21365.6, if payable, for his or her surviving spouse, and the designated spouse or children survive the member, a monthly allowance equal to the amount provided by the elected benefit shall be payable to the designated spouse or children.

No benefit is payable under this section if the special death benefit is payable.

The allowance provided by this section shall be paid in lieu of the basic death benefit, but a person or the guardian of a person, designated for the allowance may elect, before the first payment on account of it, to receive the basic death benefit in lieu of the allowance.

If the accrued allowance paid under this section is less than the basic death benefit payable, any such balance shall be payable to the beneficiary designated by the recipient of this allowance.

This section shall apply only to a member whose death occurs on or after January 1, 1990.

As used in this section, "a surviving spouse" means a husband or wife who was married to the member for a continuous period beginning at least one year prior to his or her death. "Children" means unmarried children under age 18, until they reach age 18 or

marry prior to age 18.

Nothing in this section is intended to, or shall be construed to, diminish any rights conferred by Section 21365.5 or 21365.6 or by any other provision of this part.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 486

An act to add Section 7715 to the Fish and Game Code, relating to fish, and making an appropriation therefor.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7715 is added to the Fish and Game Code, to read:

7715. (a) If the State Director of Health Services determines, based on thorough and adequate scientific evidence, that any species or subspecies of fish is likely to pose a human health risk from high levels of toxic substances, the Director of Fish and Game may order the closure of any waters or otherwise restrict the taking under a commercial fishing license in state waters of that species. Any such closure or restriction order shall be adopted by emergency regulation in accordance with Chapter 3.5 (commencing with Section 11341) of Division 3 of Title 2 of the Government Code.

(b) Any closure or restriction pursuant to subdivision (a) shall become inoperative when the State Director of Health Services determines that a health risk no longer exists. Upon making such a determination, the State Director of Health Services shall notify the Director of Fish and Game and shall request that those waters be reopened for commercial fishing.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction,

changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 487

An act to add Section 1422.1 to the Health and Safety Code, relating to health.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) Residents in licensed long-term health care facilities who receive treatment services from special treatment programs for the mentally disordered provided by those facilities have unique treatment needs.

(b) Current health facility survey teams are primarily professionals trained in care of the physical health of patients.

(c) There is a need to ensure that survey teams assigned to evaluate special treatment programs for the mentally disordered have specific training in the treatment needs of the mentally disordered resident.

SEC. 2. Section 1422.1 is added to the Health and Safety Code, to read:

1422.1. (a) Notwithstanding Section 1422, the State Department of Health Services shall conduct, when feasible, annual licensing inspections of licensed long-term health care facilities providing special treatment programs for the mentally disordered, concurrently with inspections conducted by the State Department of Mental Health for the purposes of approving the special treatment program.

(b) The State Department of Health Services survey teams conducting inspections pursuant to this section shall include at least one licensed mental health professional if the inspections are not done concurrently pursuant to subdivision (a).

(c) Survey team members shall receive training specific to the mental health treatment needs of mentally disordered residents served in these facilities.

CHAPTER 488

An act to amend Section 1569.13 of the Health and Safety Code, relating to residential care facilities for the elderly.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1569.13 of the Health and Safety Code is amended to read:

1569.13. (a) The department may contract for state, county, or other public agencies to assume specified licensing, approval, or consultation responsibilities. In exercising the authority so delegated, these agencies shall conform to the requirements of this chapter and to the rules, regulations, and standards of the department. The department shall reimburse agencies for services performed pursuant to this section, and the payments shall not exceed actual cost.

If any grants-in-aid are made by the federal government for the support of any inspection or consultation service approved by the department, the amount of the federal grant shall first be applied to defer the cost of the service before state reimbursement is made.

(b) The department may contract with any county for the purposes of having the county assume the responsibility within the county for the licensing and regulation of residential care facilities for the elderly serving six or fewer persons. Prior to the department contracting with any county for the licensing and regulation of residential care facilities for the elderly serving six or fewer persons, the department shall develop uniform standards which specify and delineate the responsibilities of contracting counties and the department. The department shall reimburse the county for the services performed, not to exceed the actual cost, out of the funds allocated to the department for the licensing and regulation of those facilities. The county shall conform to the requirements of this chapter and to the rules, regulations, and standards of the department.

CHAPTER 489

An act to amend Section 5051 of, and to add Section 5035.2 to, the Business and Professions Code, relating to accountancy.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 5035.2 is added to the Business and Professions Code, to read:

5035.2. "Client", as used in any context in this chapter, means any person for whom public accountancy services are performed or to whom financial products, financial services, or securities are sold or provided at the licensee's public accountancy practice or through referral to any other location or business in which the certified public accountant has a material interest.

SEC. 2. Section 5051 of the Business and Professions Code is amended to read:

5051. Except as provided in Sections 5052, 5053, and 5054, a person shall be deemed to be engaged in the practice of public accountancy within the meaning and intent of this chapter if he or she does any of the following:

(a) Holds himself or herself out to the public in any manner as one skilled in the knowledge, science and practice of accounting, and as qualified and ready to render professional service therein as a public accountant for compensation.

(b) Maintains an office for the transaction of business as a public accountant.

(c) Offers to prospective clients to perform for compensation, or who does perform on behalf of clients for compensation, professional services that involve or require an audit, examination, verification, investigation, certification, presentation, or review, of financial transactions and accounting records.

(d) Prepares or certifies for clients reports on audits or examinations of books or records of account, balance sheets, and other financial, accounting and related schedules, exhibits, statements, or reports which are to be used for publication or for the purpose of obtaining credit or for filing with a court of law or with any governmental agency, or for any other purpose.

(e) In general or as an incident to that work, renders professional services to clients for compensation in any or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data.

(f) Keeps books, makes trial balances, or prepares statements, makes audits, or prepares reports, all as a part of bookkeeping operations for clients.

(g) Prepares or signs as the tax preparer, tax returns for clients.

(h) Prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans.

(i) Provides management consulting services to clients.

The activities set forth in subdivisions (f) to (i), inclusive, are "public accountancy" only when performed by a certified public accountant or public accountant, as defined in this chapter.

A person is not engaged in the practice of public accountancy if the only services he or she engages in are those defined by subdivisions (f) to (i), inclusive, and he or she does not hold himself or herself out, solicit, or advertise for clients using the certified public accountant or public accountant designation. A person is not holding himself or herself out, soliciting or advertising for clients within the meaning of this section solely by reason of displaying a CPA or PA certificate in his or her office or identifying himself or herself as a CPA or PA on other than, signs, advertisements, letterhead, business cards, publications directed to clients or potential clients, or financial or tax documents of a client.

SEC. 3. The amendments to Section 5051 of the Business and Professions Code made by this act by the 1989 portion of the 1989–90 session of the Legislature is declaratory of existing law.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 490

An act to amend Section 597f of, and to add Section 598b to, the Penal Code, relating to animals.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 18, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 597f of the Penal Code is amended to read:

597f. (a) Every owner, driver, or possessor of any animal, who permits the animal to be in any building, enclosure, lane, street, square, or lot, of any city, city and county, or judicial district, without proper care and attention, shall, on conviction, be deemed guilty of a misdemeanor. And it shall be the duty of any peace officer, officer

of the humane society, or officer of a pound or animal regulation department of a public agency, to take possession of the animal so abandoned or neglected and care for the animal until it is redeemed by the owner or claimant, and the cost of caring for the animal shall be a lien on the animal until the charges are paid. Every sick, disabled, infirm, or crippled animal, except a dog or cat, which shall be abandoned in any city, city and county, or judicial district, may, if after due search no owner can be found therefor, be killed by the officer; and it shall be the duty of all peace officers, an officer of such society, or officer of a pound or animal regulation department of a public agency to cause the animal to be killed on information of such abandonment. The officer may likewise take charge of any animal, including a dog or cat, that by reason of lameness, sickness, feebleness, or neglect, is unfit for the labor it is performing, or that in any other manner is being cruelly treated; and, if the animal is not then in the custody of its owner, the officer shall give notice thereof to the owner, if known, and may provide suitable care for the animal until it is deemed to be in a suitable condition to be delivered to the owner, and any necessary expenses which may be incurred for taking care of and keeping the animal shall be a lien thereon, to be paid before the animal can be lawfully recovered.

(b) It shall be the duty of all officers of pounds or humane societies, and animal regulation departments of public agencies to convey, and for police and sheriff departments, to cause to be conveyed all injured cats and dogs found without their owners in a public place directly to a veterinarian known by the officer or agency to be a veterinarian that ordinarily treats dogs and cats for a determination of whether the animal shall be immediately and humanely destroyed or shall be hospitalized under proper care and given emergency treatment.

If the owner does not redeem the animal within the locally prescribed waiting period, the veterinarian may personally perform euthanasia on the animal; or, if the animal is treated and recovers from its injuries, the veterinarian may keep the animal for purposes of adoption, provided the responsible animal control agency has first been contacted and has refused to take possession of the animal.

Whenever any animal is transferred pursuant to this subdivision to a veterinarian in a clinic, such as an emergency clinic which is not in continuous operation, the veterinarian may, in turn, transfer the animal to an appropriate facility.

If the veterinarian determines that the animal shall be hospitalized under proper care and given emergency treatment, the costs of any services which are provided pending the owner's inquiry to the agency, department, or society shall be paid from the dog license fees, fines, and fees for impounding dogs in the city, county, or city and county in which the animal was licensed or if the animal is unlicensed the jurisdiction in which the animal was found, subject to the provision that this cost be repaid by the animal's owner. No veterinarian shall be criminally or civilly liable for any decision

which he or she makes or services which he or she provides pursuant to this section.

(c) An animal control agency which takes possession of an animal pursuant to subdivision (b), shall keep records of the whereabouts of the animal for a 72-hour period from the time of possession and those records shall be available to inspection by the public upon request.

(d) Notwithstanding any other provisions of this section, any officer of a pound or animal regulation department or humane society, or any officer of a police or sheriff's department may, with the approval of his or her immediate superior, humanely destroy any abandoned animal in the field in any case where the animal is too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal.

SEC. 2. Section 598b is added to the Penal Code, to read:

598b. (a) Every person is guilty of a misdemeanor who possesses, imports into this state, sells, buys, gives away, or accepts any carcass or part of any carcass of any animal traditionally or commonly kept as a pet or companion with the sole intent of using or having another person use any part of that carcass for food.

(b) Every person is guilty of a misdemeanor who possesses, imports into this state, sells, buys, gives away, or accepts any animal traditionally or commonly kept as a pet or companion with the sole intent of killing or having another person kill that animal for the purpose of using or having another person use any part of the animal for food.

(c) This section shall not be construed to interfere with the production, marketing, or disposal of any livestock, poultry, fish, shell fish, or any other agricultural commodity produced in this state. Nor shall this section be construed to interfere with the lawful killing of wildlife, or the lawful killing of any other animal under the laws of this state pertaining to game animals.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 491

An act to amend Sections 13651 and 13652 of the Business and Professions Code, relating to service stations.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 13651 of the Business and Professions Code is amended to read:

13651. (a) On and after January 1, 1985, every service station in this state shall provide, during operating hours, water, compressed air, and a gauge for measuring air pressure, to the public for use in servicing any passenger vehicle, as defined in Section 465 of the Vehicle Code, or any commercial vehicle, as defined in Section 260 of the Vehicle Code, with an unladen weight of 6,000 pounds or less.

(b) (1) On and after January 1, 1990, every service station in this state located within 660 feet of an accessible right-of-way of any interstate or primary highway, as defined in Sections 5215 and 5220, shall provide, during business hours, public restrooms for use by its customers. Service stations shall not charge customers separately for the use of restroom facilities.

(2) The public restroom shall not be temporary or portable but shall be permanent and shall include separate facilities for men and women, each with toilets and sinks suitable for use by the handicapped in accordance with Section 19955.5 of the Health and Safety Code and Title 24 of the California Code of Regulations and shall be maintained in a clean and sanitary manner.

(3) This subdivision shall not apply to service stations which are operational prior to January 1, 1990, and which would be obligated to construct permanent restroom facilities to comply with this subdivision.

(4) For the purposes of this subdivision, "customer" means a person who purchases any product available for sale on the premises of the service station, including items not related to the repairing or servicing of a motor vehicle.

SEC. 2. Section 13652 of the Business and Professions Code is amended to read:

13652. (a) Any person who intentionally violates any provision of this chapter or any regulation promulgated pursuant thereto is guilty of an infraction, and, upon conviction, shall be punished by a fine not to exceed fifty dollars ($50) for each day that the person violates the provision or regulation.

(b) The failure of an owner or manager of a service station to have adequate water and air facilities available for use by the public, or to provide permanent public restrooms for use by its customers, as required by subdivision (b) of Section 13651, for five consecutive

working days, constitutes a rebuttable presumption affecting the burden of proof that the owner or manager has intentionally violated this chapter. This subdivision does not apply to restrooms rendered inoperable as a result of vandalism or plumbing problems that may not be readily repaired.

(c) Notwithstanding any other provision of this chapter, no person shall be guilty of the infraction specified in subdivision (a) if that person, within seven days after receiving notification from the city attorney, district attorney, or Attorney General of any violation of this chapter, makes whatever changes are necessary to comply with the requirements of this chapter.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 492

An act to amend Sections 11290 and 19994.20 of the Government Code, and to amend Section 11871 of the Insurance Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1989 Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11290 of the Government Code is amended to read:

11290. The Department of General Services may fix the cost or pro rata share, or in its discretion an amount it considers equivalent to the cost or pro rata share, and collect from each state agency in advance or upon any other basis that it may determine:

(a) The cost of insuring motor vehicles belonging to the state agency against liability for damages resulting from the ownership or operation of motor vehicles and arising under Article 1 (commencing with Section 17000) of Chapter 1 of Division 9 of the Vehicle Code or an amount to be expended by the Department of General Services in accordance with law in paying claims under that article and for their investigation, adjustment, defense and administration.

(b) Rent for the use or occupancy of space in any building owned, managed or controlled by the state and used by the state agency in carrying out its work and affairs.

(c) The cost of janitor and maintenance service rendered to the state agency to enable it to carry out its work and affairs.

(d) The cost of bonds covering the officers, employees and servants of the state agency, and the cost of liability, fire, and other types of insurance.

(e) The cost of all other services rendered to the state agency.

SEC. 2. Section 19994.20 of the Government Code is amended to read:

19994.20. (a) The department may meet and confer with representatives of the recognized employee organization for any appropriate unit pursuant to the State Employer-Employee Relations Act on the implementation of an accident prevention incentive award program covering employees in that unit. The purpose of the program shall be to reduce, through the cooperative effort of labor and management, the number of on-the-job injuries to, and the use of sick leave by, state employees.

(b) The department may fix the cost or pro rata share, or in its discretion an amount it considers equivalent to the cost or pro rata share, and collect from each state agency in advance or upon any other basis it may determine, the cost of administering the workers' compensation insurance program.

(c) The department shall report to the Legislature annually on the success of any programs implemented pursuant to this section.

SEC. 3. Section 11871 of the Insurance Code is amended to read:

11871. The State Compensation Insurance Fund may enter into a master agreement with the Department of Personnel Administration to render services in the adjustment and disposition of claims for workers' compensation to any state agencies, including any officer, department, division, bureau, commission, board or authority, not insured with the fund.

The master agreement shall provide for rendition of services at a uniform rate to all agencies, except that the rate for the California Highway Patrol may be fixed independently of the uniform rate.

The fund may, in accordance with the agreement, adjust and dispose of claims for workers' compensation made by an officer or employee of any state agency not insured with the fund.

The fund may make all expenditures, including payment to claimants for medical care or for adjustment or settlement of claims, necessary to the adjustment and final disposition of claims. The agreement shall provide that the state agency whose officer or employee is a claimant shall reimburse the fund for the expenditures and for the actual cost of services rendered.

The fund may in its own name, or in the name of the state agency for which the services are performed, do any and all things necessary to recover on behalf of the state agency for which it renders service any and all amounts which an employer might recover from third

persons under Chapter 5 (commencing with Section 3850) of Part 1 of Division 4 of the Labor Code, or which an insurer might recover pursuant to Section 11662 including the right to commence and prosecute actions, to file, pursuant to Chapter 5 (commencing with Section 3850) of Part 1 of Division 4 of the Labor Code, liens for whatever sums would be recoverable by suit against a third person, to intervene in other court proceedings, and to compromise claims and actions before or after commencement of suit or after entry of judgment when in the opinion of the fund full collection cannot be enforced.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for this act to be applicable as soon as possible in the 1989–90 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 493

An act to amend Section 10241 of the Business and Professions Code, relating to real property.

[Approved by Governor September 15, 1989. Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10241 of the Business and Professions Code is amended to read:

10241. The statement required by Section 10240, the form of which shall be approved by the commissioner, shall set forth separately the following items:

(a) The estimated maximum costs and expenses of making the loan, which are to be paid by the borrower, including but not limited to:

(1) Appraisal fees.
(2) Escrow fees.
(3) Title charges.
(4) Notary fees.
(5) Recording fees.
(6) Credit investigation fees.

If a real estate licensee performs or is to perform any of the services provided for in this subdivision, such licensee shall be entitled to the costs and expenses thereof in addition to the charges provided for in subdivision (b).

(b) The total of the brokerage or commissions contracted for or

to be received by the real estate broker for services performed as an agent in negotiating, procuring or arranging the loan or the total of loan origination fees, points, bonuses and other charges in lieu of interest to be received by the broker if he or she elects to act as a lender rather than agent in the transaction.

(c) Any liens against the real property, as disclosed by the borrower, the approximate amount thereof, and whether each lien will remain senior, or will be subordinate, to the lien that will secure the loan.

(d) The estimated amounts to be paid on the order of the borrower, as disclosed by the borrower, including but not limited to:

(1) Fire insurance premiums.

(2) Amounts due on prior liens, including interest or other charges arising in connection with the payment, release, reconveyance, extinction or other removal of record of such prior liens.

(3) Amounts due other creditors.

(4) Assumption, transfer, forwarding and beneficiary statement fees.

(e) The estimated balance of the loan funds to be paid to the borrower after deducting the total of subdivisions (a), (b) and (d).

(f) The principal amount of the loan.

(g) The rate of interest.

(h) The term of the loan, the number of installments, the amount of each installment, and the approximate balance, due at maturity, and the following notice in 10-point bold typeface:

"NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN.

IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN."

(i) A statement containing the name of the real estate broker negotiating the loan, his or her license number, and the address of his or her licensed place of business.

(j) If the broker anticipates that the loan to the borrower may be made wholly or in part from broker-controlled funds, a statement to that effect.

For purposes of this section, broker-controlled funds means funds owned by the broker, by a spouse, child, parent, grandparent, brother, sister, father-in-law, mother-in-law, brother-in-law or sister-in-law of the broker, or by any entity in which the broker alone

or together with any of the above relatives of the broker has an ownership interest of greater than 25 percent.

(k) The terms of prepayment privileges, and penalties, if any.

(*l*) A statement that the purchase of credit or credit disability insurance is not required as a condition for the making of the loan.

(m) If the loan is one that is within the limits specified in Section 10245, a certification by the real estate licensee negotiating the loan that the loan is being made in compliance with the provisions of this article.

CHAPTER 494

An act to add Sections 62000.11 and 62007 to, to add Chapter 8 (commencing with Section 52200) to Part 28 of, and to repeal Section 62000.3 of, the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature. Filed with Secretary of State September 18, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature intends, pursuant to the enactment of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, to reenact the Gifted and Talented Pupil Program.

SEC. 2. Chapter 8 (commencing with Section 52200) is added to Part 28 of the Education Code, to read:

CHAPTER 8. GIFTED AND TALENTED PUPIL PROGRAM

52200. (a) The Legislature finds and declares that it is in the public interest to support unique opportunities for high-achieving and underachieving pupils in the public elementary and secondary schools of California who are identified as gifted and talented. The Legislature further declares its intent that special efforts be made to ensure that pupils from economically disadvantaged and varying cultural backgrounds be provided with full participation in these unique opportunities.

(b) In addition, it is the intent of the Legislature to improve the quality of existing programs for gifted and talented pupils and to provide for experimentation in the delivery of the programs, including a variety of programmatic approaches and cost levels. It is also the intent of the Legislature to provide for the identification of gifted and talented pupils by individual school districts in a variety of ways so long as this does not serve to diminish the quality of programs for individual pupils.

(c) The Legislature is committed to the belief that programs for gifted and talented pupils should include all of the following:

(1) Differentiated opportunities for learning commensurate with the gifted and talented pupil's particular abilities and talents.

(2) Alternative learning environments in which gifted and talented pupils can acquire skills and understanding at advanced ideological and creative levels commensurate with their potentials.

(3) Elements that help gifted and talented pupils develop sensitivity and responsibility to others.

(4) Elements that help to develop a commitment in gifted and talented pupils to constructive ethical standards.

(5) Elements that assist gifted and talented pupils to develop self-generating problem-solving abilities to expand each pupil's awareness of choices for satisfying contributions in his or her environment.

(6) Elements that help gifted and talented pupils develop realistic, healthy self-concepts.

52201. (a) "Gifted and talented pupil," as used in this chapter, means a pupil enrolled in a public elementary or secondary school of this state who is identified as possessing demonstrated or potential abilities that give evidence of high performance capability as defined pursuant to Section 52202.

(b) "Program" means an appropriately differentiated curriculum provided by a district for gifted and talented pupils which meets the standards established pursuant to this chapter, and also includes the identification of these pupils.

(c) "Participating pupil" means a pupil identified as a gifted and talented pupil who takes part in a program for at least one semester of a school year.

52202. For the purposes of this chapter, the demonstrated or potential abilities that give evidence of high performance capability shall be defined by each school district governing board in accordance with regulations established by the State Board of Education. Each district shall use one or more of the following categories in defining the capability: intellectual, creative, specific academic, or leadership ability; high achievement; performing and visual arts talent; or any other criterion that meets the standards set forth by the State Board of Education pursuant to Section 52203. Each governing board shall also consider identifying as gifted or talented any pupil who has transferred from a district in which he or she was identified as a gifted and talented pupil.

52203. The State Board of Education shall maintain regulations governing the following areas:

(a) Procedures that school district governing boards shall use in identifying gifted and talented pupils who are eligible for the program and in providing programs pursuant to this chapter.

(b) Definitions of special day classes, part-time grouping, enrichment activities, cluster grouping, independent study, acceleration, postsecondary education opportunities and other programs that the State Board of Education deems appropriate.

(c) Establishment of allowable indirect cost expenditures that

may be funded by gifted and talented program funds.

(d) Other areas that the board deems necessary to implement fully the intent and provisions of this chapter.

52204. Any school district governing board that provided a mentally gifted minor program in the 1978–79 school year may elect to provide a program for gifted and talented pupils pursuant to this chapter, subject to the provisions of Section 52211. If a governing board elects to provide such a program, it shall submit a description of the proposed program and the processes by which the qualifications of teachers and supervisory personnel shall be determined for the approval of the State Board of Education.

52205. The Superintendent of Public Instruction shall:

(a) Apportion funds pursuant to this chapter to each district for which an application to offer programs pursuant to this chapter has been approved by the State Board of Education according to this chapter and regulations adopted by the board.

(b) Assist school district governing boards, upon their request, to design, implement, and evaluate programs funded under this chapter.

(c) Ensure that the expenditure of funds authorized for programs pursuant to this chapter is consistent with this chapter.

(d) Encourage the development of locally designed, innovative programs for gifted and talented pupils.

(e) Assist districts in the development and implementation of staff development programs related to gifted and talented pupils.

(f) Give priority in technical assistance to those districts receiving the greatest total increase in funds.

52206. The governing boards of school districts that provide programs pursuant to this chapter may establish programs for gifted and talented pupils consisting of special day classes, part-time grouping, enrichment activities, cluster grouping, independent study, acceleration, postsecondary education opportunities, and other program approaches as proposed by the governing board and consistent with the regulations of the State Board of Education. If the district establishes any of these programs, the district shall provide them to identified pupils for an amount of time each week that shall average a minimum of one class equivalent to 200 minutes per week for 30 weeks of the school year. The time requirements may be waived upon approval of the State Board of Education.

Each participating governing board shall determine the most appropriate curricular components for participating pupils within its district.

For all programs for gifted and talented pupils, including programs for pupils with high creative capabilities and talents in the performing and visual arts, each participating governing board shall concentrate part of its curriculum on providing participating pupils with an academic component and, where appropriate, with instruction in basic skills.

52207. Subject to any terms and conditions that may be agreed

upon, each governing board providing programs pursuant to this chapter may contract with another school district to furnish programs or may contract to educate pupils living in other districts.

The county superintendent may, with the approval of the county board of education and the governing board of the school district involved, provide programs pursuant to this chapter, and transportation therefor, for gifted and talented pupils who reside in any school district. For these purposes, the terms "school district" and "governing board of a school district," as used in this chapter, shall be deemed to include the county superintendent of schools.

52208. The governing board of each school district providing programs pursuant to this chapter shall: (1) conduct an annual assessment of the program; and (2) develop procedures that assure the ongoing participation of parents of gifted and talented pupils in the planning and evaluation of programs funded pursuant to this chapter.

52209. The governing board of any school district that provides a program for gifted and talented pupils pursuant to this chapter may:

(a) Conduct programs, seminars, and classes for gifted and talented pupils within or without the boundaries of the school district and, for that purpose, employ instructors, supervisors, and other personnel and provide necessary equipment and supplies.

(b) Transport or arrange for transportation of pupils to or from educational institutions where regularly scheduled programs and classes are being conducted.

Attendance of pupils at these programs, seminars, and classes shall be included in computing the average daily attendance of the district for the purposes of apportionments from the State School Fund.

Moneys from this program shall not be used for educational field trips. This limitation may be waived by the Superintendent of Public Instruction.

No district may exceed expenditure of state funds in the amount of two hundred fifty dollars ($250) per pupil per fiscal year for program services pursuant to this chapter except in extraordinary circumstances and with the specific approval of the Superintendent of Public Instruction. This amount shall increase at the rate of 6 percent per year.

Funds provided in support of this chapter shall be used solely for the purposes described herein. Allowances provided in any fiscal year but not expended in that year may be expended in subsequent fiscal years.

52210. The governing board of a school district, in providing programs pursuant to this chapter, may enter into agreements with a county superintendent of schools to conduct programs for gifted and talented pupils enrolled in the schools of the district.

52211. The Superintendent of Public Instruction shall, beginning in the 1980–81 school year, apportion funds to school districts pursuant to the provisions of this section. However, if any eligible

school district decides not to participate in the program, the State Board of Education shall have the authority to select a replacement district from among the remaining districts in the state.

The Superintendent of Public Instruction shall apportion funds to each participating district in the following manner:

(a) Districts that have 1 to 10 participating pupils shall receive seventy-five dollars ($75) per semester for each participating pupil.

(b) Districts that have 11 to 25 participating pupils shall receive sixty-eight dollars ($68) per semester for each participating pupil.

(c) Districts that have 26 to 50 pupils shall receive fifty-eight dollars ($58) per semester for each participating pupil.

(d) All other participating districts shall, for each unit of average daily attendance in the district, receive an amount to be computed in the following manner:

(1) (A) For the fiscal year 1980–81, for each participating district, the Superintendent of Public Instruction shall compute the 1978–79 total amount apportioned for purposes of operating the mentally gifted minors program divided by the 1978–79 average daily attendance in that district.

(B) For the fiscal year 1981–82 and each succeeding fiscal year, for each participating district, the Superintendent of Public Instruction shall compute the previous year's total amount apportioned for purposes of operating the gifted and talented pupils' program divided by the prior year's average daily attendance in that district.

(2) Districts for which the amount computed in paragraph (1) exceeds five dollars and forty-three cents ($5.43) shall receive 0.95 times the amount computed in paragraph (1).

(3) Districts for which the amount computed in paragraph (1) exceeds the amount computed in subdivision (e) for the prior fiscal year, but is less than or equal to five dollars and forty-three cents ($5.43), shall receive the greater of (A) the amount computed in paragraph (1) or (B) the amount computed in subdivision (e) for the current fiscal year.

(4) Districts for which the amount computed in paragraph (1) is less than or equal to the amount computed in subdivision (e) for the prior fiscal year shall, for each fiscal year receive the greater of (A) one-half of the amount computed in subdivision (e) for the prior fiscal year or (B) 1.7 times the amount computed in paragraph (1) except that this amount shall not exceed the amount computed in subdivision (e) for the current fiscal year.

(e) For the 1980–81 fiscal year, the amount for the purpose of computation in paragraphs (3) and (4) of subdivision (d) and subdivision (g) shall be the total of the program apportionments in the 1978–79 fiscal year for mentally gifted minors divided by the total average daily attendance in those districts. For 1981–82 and each successive fiscal year, the amount for the purpose of computation in paragraphs (3) and (4) of subdivision (d) and subdivision (g) shall be the total of the apportionments in the prior fiscal year for gifted and talented pupils divided by the total average daily attendance in

those districts.

(f) In the 1981–82 fiscal year, the amounts in subdivisions (a), (b), and (c) shall be increased by 7 percent per year. In the 1982–83 fiscal year, and each fiscal year thereafter, the amounts in subdivisions (a), (b), and (c) shall be increased by 6 percent

(g) Districts that are newly admitted to the program shall receive, in the first year of admission, an amount equal to one-half of the amount computed in subdivision (e) times the average daily attendance of that district. In the second and successive years, each of these districts shall receive the amount computed in subdivision (e) times the average daily attendance of that district.

If the sum appropriated for purposes of this section is not sufficient to make the allowances specified by this section, the allowances shall be reduced proportionately. If the sum apportioned for purposes of this section is more than sufficient to make the allowances specified by this section, the allowances shall be increased proportionately.

52212. Each applicant school district shall submit an application for approval for a proposed program for gifted and talented pupils to the State Board of Education. The application shall be submitted in the form and manner prescribed by the Superintendent of Public Instruction. The application shall include budget information including separate data on identification and program costs, and any other data required by the Superintendent of Public Instruction to administer and evaluate the program effectively.

Each participating governing board shall maintain auditable records.

Each applicant school district shall designate, in its application to the State Board of Education, a person with responsibility for the development, identification procedure, and implementation of the local program for gifted and talented pupils, fiscal management, and the collection of auditable records for the independent evaluation.

In order to ensure compliance with this chapter during the pilot period and to provide information sufficient to later evaluate the wide variety of district programs as provided for by Section 52200, applications for district programs shall be developed by the State Department of Education and made available to districts no later than April 1, 1980. The application shall not be part of the consolidated application.

52213. The State Department of Education, with the approval of the Legislative Analyst and the Department of Finance, shall contract for an independent evaluation of programs for gifted and talented pupils established pursuant to this chapter. The State Department of Education shall submit to the Legislative Analyst and the Department of Finance by February 15, 1980, a finalized request for proposals that specifies the scope, work plan, and other necessary information for potential bidders on the independent contract. In conducting the evaluation, the contractor shall examine the benefits, costs, consequences, and impact of the gifted and talented program and shall provide information on these issues and make appropriate

policy recommendations in a report to the Legislature on January 5, 1984.

SEC. 3. Section 62000.3 of the Education Code is repealed.

SEC. 4. Section 62000.11 is added to the Education Code, to read:

62000.11. The Gifted and Talented Pupil Program shall sunset on June 30, 1994.

SEC. 5. Section 62007 is added to the Education Code, to read:

62007. The State Department of Education and the Legislative Analyst shall review and report upon the Gifted and Talented Pupil Program authorized pursuant to Chapter 8 (commencing with Section 52200) of Part 28. The State Department of Education shall submit its report to the appropriate policy and fiscal committees of the Legislature on or before June 30, 1993. The Legislative Analyst shall submit his or her report to the appropriate policy and fiscal committees of the Legislature within 90 days after receiving the State Department of Education report. In conducting the review required by this section, the State Department of Education and the Legislative Analyst shall consider the issues listed in subdivisions (a) and (c) of Section 62006 and shall make recommendations on any appropriate revisions of the law or regulations governing the program.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the well-being of gifted children in California public schools, it is necessary for this act to take immediate effect.

CHAPTER 495

An act to amend Section 1126 of the Government Code, relating to local government.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1126 of the Government Code is amended to read:

1126. (a) Except as provided in Sections 1128 and 1129, a local agency officer or employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed. The officer or employee shall not perform any work, service, or counsel for compensation outside of his

or her local agency employment where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of his or her employing body, unless otherwise approved in the manner prescribed by subdivision (b).

(b) Each appointing power may determine, subject to approval of the local agency, and consistent with the provisions of Section 1128 where applicable, those outside activities which, for employees under its jurisdiction, are inconsistent with, incompatible to, or in conflict with their duties as local agency officers or employees. An employee's outside employment, activity, or enterprise may be prohibited if it: (1) involves the use for private gain or advantage of his or her local agency time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her local agency office or employment or, (2) involves receipt or acceptance by the officer or employee of any money or other consideration from anyone other than his or her local agency for the performance of an act which the officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his or her local agency employment or as a part of his or her duties as a local agency officer or employee or, (3) involves the performance of an act in other than his or her capacity as a local agency officer or employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other officer or employee or the agency by which he or she is employed, or (4) involves the time demands as would render performance of his or her duties as a local agency officer or employee less efficient.

The local agency may adopt rules governing the application of this section. The rules shall include provision for notice to employees of the determination of prohibited activities, of disciplinary action to be taken against employees for engaging in prohibited activities, and for appeal by employees from such a determination and from its application to an employee. Nothing in this section is intended to abridge or otherwise restrict the rights of public employees under Chapter 9.5 (commencing with Section 3201) of Title 1.

CHAPTER 496

An act to add Chapter 29 (commencing with Section 7593) to Division 7 of Title 1 of the Government Code, relating to state government.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 29 (commencing with Section 7593) is added to Division 7 of Title 1 of the Government Code, to read:

CHAPTER 29. SELECTIVE SERVICE COOPERATION

7593. The Legislature finds and declares that the federal Selective Service System registration program is considered to be in the national interest because it helps to ensure necessary readiness for mobilization in the event of any future national emergency.

7593.1. All state agencies shall cooperate with the United States Selective Service System in efforts to publicize the necessity of, and requirements for, compliance with the federal military Selective Service Act (50 U.S.C. Sec. 451 et seq.).

Any actions to implement this chapter shall be mutually agreed to by the state agency and the United States Selective Service System prior to implementation of this chapter. Any costs incurred by a state agency in implementing this chapter shall be reimbursed by the United States Selective Service System.

CHAPTER 497

An act to amend Sections 21266, 21338, 21372, and 22811.5 of, and to add Section 21373 to, the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 21266 of the Government Code is amended to read:

21266. Notwithstanding any other provisions of this part, survivor continuance allowances payable to surviving spouses upon death after retirement of a member shall not cease upon remarriage if the remarriage occurs on or after January 1, 1985. However, pursuant to Section 22811.5, the surviving spouse may not add the new spouse or stepchildren as family members under the continued health benefits coverage of the surviving spouse.

This section shall not apply to any contracting agency, unless and until the agency elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts or, in the case of contracts made after January 1, 1985, by express provision in the contract making the contracting agency subject to this section and, in that case, this section shall only apply to a surviving spouse of a local member employed by the contracting agency whose remarriage occurred on or after the date the contracting agency elects to be subject to this section.

The employer is not required by this section to meet and confer with an employee organization regarding the subject matter of this

section, and the subject matter shall not be included within the scope of representation pursuant to Section 3504.

SEC. 2. Section 21338 of the Government Code is amended to read:

21338. A member retiring for service who is credited with state service, the compensation for which was subject to contribution pursuant to Section 218 of the Social Security Act (42 U.S.C.A. Sec. 301 et seq.), and who is fully insured under the federal system but is not entitled to receive, on his or her application therefor, a retirement or disability benefit under the system may elect to have the actuarial equivalent of his or her unmodified service retirement allowance paid in two parts:

(a) A temporary annuity which shall not exceed the primary social security benefit which it is anticipated the member will be entitled to receive at age 62, 65, or 66, whichever shall be designated by the member, plus

(b) A life income consisting of his or her service retirement annuity plus such pension as may be provided by the actuarial value of his or her current and prior service pensions remaining after providing the temporary annuity in subdivision (a).

The temporary annuity under subdivision (a) shall not be subject to further optional settlement under this article and shall be payable monthly until the retired member attains or would attain the age designated by the member under subdivision (a). If his or her death occurs prior to that age, the commuted value of any remaining installments shall be paid to his or her designated beneficiary in a lump sum.

This section shall not apply to an allowance based on service with respect to which a member is subject to Section 21252.5.

SEC. 3. Section 21372 of the Government Code is amended to read:

21372. For the purpose of Sections 21364, 21365.5, 21365.6 and Article 6 (commencing with Section 21380):

(a) Any surviving spouse of a member whose death occurs on or after January 1, 1983, may irrevocably elect within 24 months of the death of the member to receive a reduced lifetime allowance which is the actuarial equivalent of the benefit otherwise payable.

(b) The allowances payable pursuant to subdivision (a) shall commence to be payable on the first day of the calendar month immediately following the calendar month in which the election is received by the system.

SEC. 4. Section 21373 is added to the Government Code, to read:

21373. Notwithstanding any other provisions of this part, the benefits payable to a surviving spouse pursuant to Sections 21364, 21365.5, 21365.6, and Article 6 (commencing with Section 21380), shall be paid as follows:

(a) Any surviving spouse who remarries on or after the operative date of the statute adding this section shall continue to receive the lifetime allowance to which he or she is entitled, without reduction.

However, pursuant to Section 22811.5, the surviving spouse who remarries on or after that date may not enroll his or her new spouse or stepchildren as family members under the continued health benefits coverage of the surviving spouse.

(b) Any surviving spouse who elected the reduction specified in Section 21372 shall be restored to the lifetime allowance to which he or she was originally entitled, for all benefits payable on or after the operative date of the statute adding this section.

This section shall not apply to any contracting agency, unless and until the agency elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts or, in the case of contracts made after the operative date of the statute adding this section by express provision in the contract making the contracting agency subject to this section. This section shall only apply to a surviving spouse of a local member employed by the contracting agency whose remarriage occurred on or after the date the agency elects to be subject to this section. Any surviving spouse of a local member of the contracting agency, who elected the reduction specified in Section 21372, shall be restored to the lifetime allowance to which he or she was originally entitled, for all benefits payable on or after the election by the contracting agency to be subject to this section.

This section shall not apply to any school member of a school district or community college district unless the governing board thereof elects to become subject to this section by adopting a resolution to that effect and transmits that resolution through the county superintendent of schools to the board. Notwithstanding any specified date in a resolution, the resolution shall not become effective until it is received by the Public Employees' Retirement System. This section shall only apply to a surviving spouse of a school member employed by a school district or community college district whose marriage occurred on or after the date the school district or community college district elects to be subject to this section. Any surviving spouse of a school member of such a school district or community college district, who elected the reduction specified in Section 21372 shall be restored to the lifetime allowance to which he or she was originally entitled for all benefits payable on or after the election by the school district or community college district to be subject to this section.

The employer is not required to meet and confer with an employee organization regarding the subject matter of this section, and the subject matter shall not be included within the scope of representation pursuant to Section 3504.

SEC. 5. Section 22811.5 of the Government Code is amended to read:

22811.5. No person who, as a result of a remarriage on or after January 1, 1985, of an annuitant subject to Section 21266, would otherwise become a family member, may be enrolled as a family member. No person who, as a result of a remarriage on or after the

operative date of the statute adding Section 21373, of an annuitant subject to subdivision (a) of Section 21373, would otherwise become a family member, may be enrolled as a family member.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that certain survivors' allowances and special death benefits paid to surviving spouses on account of preretirement deaths of the member-spouses under the Public Employees' Retirement System may be conformed to analogous payments for postretirement deaths of retired member-spouses and so eliminate an inequity from the system at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 498

An act to add Section 66786.9 to the Government Code, relating to waste.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 66786.9 is added to the Government Code, to read:

66786.9. On or before January 1, 1991, the board shall prepare and submit to the Governor and the Legislature a report on the use, disposal, and recyclability of plastic materials and containers not subject to Division 12.1 (commencing with Section 14500) of the Public Resources Code. The report shall include, but not be limited to, all of the following:

(a) A description of barriers to plastics collection, separation, and recycling for reuse.

(b) A description and comparison of current methods used in the state, other states, and other countries to reduce the use of, and recycle, plastic materials currently disposed of in the state, and recommendations on how the state might improve its current programs to reduce or recycle plastic materials.

(c) A description of programs under development and potentially available for plastics collection and recycling.

(d) A description of current domestic and foreign markets for recycled plastic materials, and recommendations on how the state could improve the marketability of these materials.

CHAPTER 499

An act to amend Sections 87202 and 87302 of the Government Code, relating to public officials.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 19, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 87202 of the Government Code is amended to read:

87202. (a) Every person who is elected to an office specified in Section 87200 shall, within 30 days after assuming the office, file a statement disclosing his or her investments and his or her interests in real property held on the date of assuming office, and income received during the 12 months before assuming office. Every person who is appointed or nominated to an office specified in Section 87200 shall file such a statement not more than 10 days after assuming office, provided, however, that a person appointed or nominated to such an office who is subject to confirmation by the Commission on Judicial Appointments or the State Senate shall file such a statement no more than 10 days after the appointment or nomination.

The statement shall not be required if the person has filed, within 60 days prior to assuming office, a statement for the same jurisdiction pursuant to Section 87203.

(b) Every elected state officer who assumes office during the month of December or January shall file a statement pursuant to Section 87203 instead of this section, except that:

(1) The period covered for reporting investments and interests in real property shall begin on the date the person filed his or her declarations of candidacy.

(2) The period covered for reporting income shall begin 12 months prior to the date the person assumed office.

SEC. 2. Section 87302 of the Government Code is amended to read:

87302. Each Conflict of Interest Code shall contain the following provisions:

(a) Specific enumeration of the positions within the agency, other than those specified in Section 87200, which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable. An investment, business position, interest in real property, or source of income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment or business position is held, the interest in real property, or the income or source of income may foreseeably be affected

materially by any decision made or participated in by the designated employee by virtue of his or her position.

(b) Requirements that each designated employee, other than those specified in Section 87200, file statements at times and under circumstances described in this section, disclosing reportable investments, business positions, interests in real property and income. The information disclosed with respect to reportable investments, interests in real property, and income shall be the same as the information required by Sections 87206 and 87207. The first statement filed under a Conflict of Interest Code by a designated employee shall disclose any reportable investments, business positions, interests in real property, and income. An initial statement shall be filed by each designated employee within 30 days after the effective date of the Conflict of Interest Code, disclosing investments, business positions, and interests in real property held on the effective date of the Conflict of Interest Code and income received during the 12 months before the effective date of the Conflict of Interest Code. Thereafter, each new designated employee shall file a statement within 30 days after assuming office, or if subject to State Senate confirmation, 30 days after being appointed or nominated, disclosing investments, business positions, and interests in real property held on, and income received during the 12 months before, the date of assuming office or the date of being appointed or nominated, respectively. Each designated employee shall file an annual statement, at the time specified in the Conflict of Interest Code, disclosing reportable investments, business positions, interest in real property and income held or received at any time during the previous calendar year or since the date the designated employee took office if during the calendar year. Every designated employee who leaves office shall file, within 30 days of leaving office, a statement disclosing reportable investments, business positions, interests in real property, and income held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

(c) Specific provisions setting forth any circumstances under which designated employees or categories of designated employees must disqualify themselves from making, participating in the making, or using their official position to influence the making of any decision. Disqualification shall be required by the Conflict of Interest Code when the designated employee has a financial interest as defined in Section 87103, which it is reasonably foreseeable may be affected materially by the decision. No designated employee shall be required to disqualify himself or herself with respect to any matter which could not legally be acted upon or decided without his or her participation.

(d) For any position enumerated pursuant to subdivision (a), an individual who resigns the position within 30 days following initial appointment is not deemed to assume or leave office, provided that during the period between appointment and resignation, the

individual does not make, participate in making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. The Legislature finds and declares that this act furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 500

An act to amend Section 1055 of the Fish and Game Code, relating to fish and game, and making an appropriation therefor.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 19, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1055 of the Fish and Game Code is amended to read:

1055. (a) The department may authorize any person, except a commissioner or an officer or employee of the department, to be a license agent to issue punch cards, licenses, license stamps, and license tags. It may consign punch cards, licenses, license stamps, and license tags to license agents without receiving payment therefor, upon application of the license agent and upon the giving of a bond or assigning a certificate of deposit, payable to the department, as provided in this article. It shall not consign any punch cards, licenses, license stamps, and license tags to any license agent who fails to submit the report required by subdivision (a) of Section 1055.5 within one month and 20 days following the last day of that calendar month or who otherwise fails to fully comply with Section 1055.5.

(b) A license agent authorized under subdivision (a) shall add a handling charge to the fees, which fees are prescribed in this code or in regulations adopted pursuant to this code, for applications, punch cards, licenses, license stamps, and license tags issued by the license agent in an amount, as follows:

(1) Fifty cents ($0.50) for each commercial fishing license or

commercial passenger fishing boat license.

(2) Fifty cents ($0.50) for each sportfishing license or for each hunting license.

(3) Fifty cents ($0.50) for each tag application.

(4) Fifty cents ($0.50) for each punch card.

(5) Fifty cents ($0.50) for each license upgrade stamp.

(6) Fifty cents ($0.50) for each state-controlled waterfowl area hunting permit.

(7) Five cents ($0.05) for each waterfowl reservation application stamp.

(c) No handling charge added under subdivision (b) shall be added for any hunting license stamp, sportfishing license stamp, or special use stamp, except the license upgrade stamp as provided in paragraph (5) of subdivision (b).

(d) The handling charge added under subdivision (b) shall be incorporated into the total amount collected for issuing the punch card, license, license stamp, or license tag, but the handling charge shall not be included when determining license fees in accordance with Section 713. No license agent shall collect from the license applicant any amount which is less than the fee prescribed in this code, or in regulations adopted pursuant to this code, for any punch card, license, license stamp, or license tag issued.

(e) The handling charge required by subdivision (b) is the license agent's only compensation for services. No other additional fee or charge shall be made by the license agent for issuing punch cards, licenses, license stamps, or license tags authorized under this section.

(f) In order to facilitate the prompt remittance of fees and more accurate accounting of licenses, license stamps, and license tags provided for issuance to license agents, the department shall provide them in books containing licenses, license stamps, or license tags that do not exceed the total fees for 20 resident sportfishing licenses. This subdivision does not apply to nonresident licenses and nonresident license tags. This subdivision applies only to license years commencing on or after July 1, 1986.

(g) At any single business location, a license agent shall issue all items from a single book before commencing to issue licenses, license stamps, or license tags of the same series from another book.

(h) The department, alternatively, may provide for the issuance of punch cards, licenses, license stamps, and license tags to authorized license agents and shall collect, in cash or cashier's check, at the time the documents are provided an amount equal to the fees for all of the punch cards, licenses, license stamps, and license tags provided. Any license agent who pays the fees for punch cards, licenses, license stamps, and license tags provided is exempt from subdivisions (a) and (e) of Section 1055.5, Section 1056, and Section 1059. Punch cards, licenses, license stamps, and license tags provided pursuant to this subdivision and remaining unissued at the end of the license year may be returned to the department, within 60 days of their expiration date, for refund or credit, or a combination thereof.

(i) All unissued and expired punch cards, licenses, license stamps, and license tags shall be returned to the department. Any license agent who does not return them within one month and 20 days following the last day of the license year shall not be provided additional punch cards, licenses, license stamps, or license tags until the unissued and expired punch cards, licenses, license stamps, and license tags have been returned to the department. In addition, any unissued and expired item that is not returned within 60 days following the last day of the license year shall be billed to the license agent. Items may be returned for credit after the 60 days; however, the license agent shall pay interest and penalties on the returned items as prescribed in subdivision (b) of Section 1059. No credit shall be allowed after six months following the last day of the license year.

CHAPTER 501

An act to amend Section 51.2 of, and to add Section 51.4 to, the Civil Code, relating to housing.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 51.2 of the Civil Code is amended to read:

51.2. (a) Section 51 shall be construed to prohibit a business establishment from discriminating in the sale or rental of housing based upon age. Where accommodations are designed to meet the physical and social needs of senior citizens, a business establishment may establish and preserve that housing for senior citizens, pursuant to Section 51.3. Where accommodations constructed before February 8, 1982, meet the criteria for senior citizen housing specified in Section 51.4, a business establishment may establish and preserve that housing for senior citizens until January 1, 2000, in accordance with Section 51.4.

(b) This section is intended to clarify the holdings in Marina Point, Ltd. v. Wolfson (1982), 30 Cal. 3d 72, and O'Connor v. Village Green Owners Association (1983), 33 Cal. 3d 790.

SEC. 2. Section 51.4 is added to the Civil Code, to read:

51.4. (a) The Legislature finds and declares that the requirements for senior housing under Section 51.2 and 51.3 are more stringent than the requirements for that housing under the federal Fair Housing Amendments Act of 1988 (Public Law 100-430) in recognition of the acute shortage of housing for families with children in California. The Legislature further finds and declares that the special design requirements for senior housing under Sections 51.2 and 51.3 may pose a hardship to some housing developments which were constructed before the decision in Marina

Point Ltd. v. Wolfson (1982), 30 Cal. 3d 72. The Legislature further finds and declares that the requirement for specially designed accommodations in senior housing under Section 51.2 and 51.3 provides important benefits to senior citizens and also ensures that housing exempt from the prohibition of age discrimination is carefully tailored to meet the compelling societal interest in providing senior housing. Therefore, it is the intent of the Legislature to permit a narrow, time-limited exception to the requirement that senior housing be specially designed.

(b) A housing development constructed before February 8, 1982, shall be exempt from Section 51 to the extent specified in Section 51.2 if (1) it meets the requirements of Sections 51.2 and 51.3, other than the requirement that the housing be specially designed to meet the physical and social needs of senior citizens, (2) it is not practicable to meet that requirement in the relevant geographic area where the housing development is located, and (3) the housing development is necessary to provide important housing opportunities for senior citizens. As used in this section, "relevant geographic area" has the same meaning as that term is used in Section 100.304 of Title 24 of the Code of Federal Regulations.

(c) In any action under Section 51, the exemption under this section shall be sustained only if it is demonstrated through credible and objective evidence that application of a requirement for specially designed accommodations to meet the physical and social needs of senior citizens would result in depriving senior citizens in the relevant geographic area of needed and desired housing. The factors to be considered by the court in determining the applicability of this section shall include, but not be limited to, all of the following:

(1) Whether the owner or manager of the housing facility has endeavored to provide specially designed accommodations to meet the physical and social needs of senior citizens persons either directly or by some other entity. Demonstrating that these accommodations would be expensive to provide is not alone sufficient to demonstrate their inpracticability.

(2) The amount of rent charged for dwellings in the housing development seeking an exemption under this section if the dwellings are rented, or the price of the dwellings if they are offered for sale.

(3) The income range of the residents of the housing development.

(4) The demand for housing for senior citizens in the affected geographic area.

(5) The range of housing choices for senior citizens within the relevant geographic area.

(6) The availability of other similarly priced housing for senior citizens in the relevant geographic area. If similarly priced senior citizen housing with specially designed accommodations is reasonably available in the relevant geographic area, then the housing facility does not meet the requirements for exemption under

this section.

(7) The vacancy rate of the housing development.

CHAPTER 502

An act to amend Section 40206.5 of, and to add Section 22651.1 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22651.1 is added to the Vehicle Code, to read:

22651.1. Persons operating or in charge of any storage facility where vehicles are stored pursuant to Section 22651 shall accept a valid bank credit card or cash for payment of towing and storage by the registered owner, legal owner, or the owner's agent claiming the vehicle. In addition, persons operating or in charge of the storage facility shall have sufficient funds on the premises to accommodate and make change in a reasonable monetary transaction.

SEC. 2. Section 40206.5 of the Vehicle Code is amended to read:

40206.5. (a) Within 15 days of a request, by mail or in person, the issuing agency shall provide to any person who has received a notice of delinquent parking violation, or his or her agent, a photostatic copy of the original notice of parking violation or an electronically produced facsimile of the original notice of parking violation. The issuing agency may charge a fee sufficient to recover the actual cost of providing the copy, not to exceed two dollars ($2). Failure to comply with a request for a copy of the original notice of parking violation is a dismissal of the charge.

(b) If the description of the vehicle on the notice of parking violation does not match the corresponding information on the registration card for that vehicle, the processing agency may, on written request of the person cancel the notice of parking violation without the necessity of an appearance by that person.

(c) For purposes of this section, a copy of the notice of parking violation may be a photostatic copy or an electronically produced facsimile.

(d) If the processing agency does not cancel the notice pursuant to subdivision (b), it shall file a complaint with the court pursuant to Section 40230.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty

for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 503

An act to amend Section 5600.2 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5600.2 of the Welfare and Institutions Code is amended to read:

5600.2. (a) Except as provided in this section, persons employed or under contract to provide mental health services pursuant to this part shall be subject to all applicable requirements of law respecting professional licensure, and no person shall be employed in local mental health programs pursuant to this part to provide services for which such a license is required, unless the person possesses a currently valid license.

(b) Persons employed as psychologists and clinical social workers, while continuing in their employment in the same class as of January 1, 1979, in the same program or facility, including those persons on authorized leave, but not including intermittent personnel, shall be exempt from the requirements of subdivision (a). Additionally, the requirements of subdivision (a) may be waived by the department solely for persons in the professions of psychology, clinical social work, or marriage, family and child counseling who are gaining qualifying experience for licensure in the profession in this state.

(c) A waiver granted pursuant to subdivision (b) shall not exceed three years from commencement of employment in this state in the case of clinical social workers or marriage, family, and child counselors, at which time licensure shall have been obtained or the employment shall be terminated. For persons employed as clinical social workers or marriage, family, and child counselors less than full time, an extension of a waiver of licensure may be granted for additional years proportional to the extent of part-time employment, as long as the person is employed without interruption in service, but in no case shall the waiver of licensure exceed five years.

(d) A waiver granted pursuant to subdivision (b) shall not exceed two years from commencement of employment in this state in the case of psychologists, at which time licensure shall have been obtained or the employment shall be terminated. For persons

employed full time as a psychologist, the department may grant an extension of a waiver of licensure for an additional year, based upon extenuating circumstances as determined by the department. For persons employed less than full time as a psychologist, the department may grant an extension of a waiver of licensure for additional years proportional to the extent of part-time employment, based upon extenuating circumstances as determined by the department as long as the person is employed without interruption in service, but in no case shall the waiver of licensure exceed five years.

(e) However, the durational limitations upon waivers shall not apply to active candidates for a doctoral degree in social work, social welfare, or social science, who are enrolled at an accredited university, college, or professional school, but these limitations shall apply following completion of this training. Additionally, this durational limitation upon waivers shall not apply to active candidates for a doctoral degree in marriage, family and child counseling or marital and family therapy who are enrolled at a school, college, or university, specified in subdivision (a) of Section 4980.40 of the Business and Professions Code, but the limitations shall apply following completion of the training. A waiver pursuant to this section shall be granted only to the extent necessary to qualify for licensure, except that personnel recruited for employment from outside this state and whose experience is sufficient to gain admission to a licensing examination shall, nevertheless, have one year from the date of their employment in California to become licensed, at which time licensure shall have been obtained or the employment shall be terminated, provided that the employee shall take the licensure examination at the earliest possible date after the date of his or her employment, and if the employee does not pass the examination at that time, he or she shall have a second opportunity to pass the examination, at the next scheduled examination, notwithstanding the one-year limit.

CHAPTER 504

An act to amend Section 868.5 of the Penal Code, relating to crimes.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 868.5 of the Penal Code is amended to read:

868.5. (a) Notwithstanding any other provision of law, a prosecuting witness in a case involving a violation of Section 187, 203, 205, 207, 211, 220, 240, 242, 243.4, 245, 261, 262, 273a, 273d, 273.5, 285,

286, 288, 288a, 289, 647.6, or former Section 647a, or a violation of subdivision (1) of Section 314, shall be entitled, for support, to the attendance of up to two persons of his or her own choosing, one of whom may be a witness, at the preliminary hearing and at the trial, or at a juvenile court proceeding, during the testimony of the prosecuting witness. Only one of those support persons may accompany the witness to the witness stand, although the other may remain in the courtroom during the witness' testimony. The person or persons so chosen shall not be a person described in Section 1070 of the Evidence Code unless the person or persons are related to the prosecuting witness as a parent, guardian, or sibling and do not make notes during the hearing or proceeding.

(b) If the person or persons so chosen are also prosecuting witnesses, the prosecution shall present evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing, the court shall grant the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony. In the case of a juvenile court proceeding, the judge shall inform the support person or persons that juvenile court proceedings are confidential and may not be discussed with anyone not in attendance at the proceedings. In all cases, the judge shall admonish the support person or persons to not prompt, sway, or influence the witness in any way. Nothing in this section shall preclude a court from exercising its discretion to remove a person from the courtroom whom it believes is prompting, swaying, or influencing the witness.

(c) The testimony of the person or persons so chosen who are also prosecuting witnesses shall be presented before the testimony of the prosecuting witness. The prosecuting witness shall be excluded from the courtroom during that testimony. Whenever the evidence given by that person or those persons would be subject to exclusion because given before the corpus delicti has been established, the evidence shall be admitted subject to the court's or the defendant's motion to strike that evidence from the record if the corpus delicti is not later established by the testimony of the prosecuting witness.

SEC. 2. Section 868.5 of the Penal Code is amended to read:

868.5. (a) Notwithstanding any other provision of law, a prosecuting witness in a case involving a violation of Section 187, 203, 205, 207, 211, 220, 240, 242, 243.4, 245, 261, 262, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.5, 289, 647.6, or former Section 647a, or a violation of subdivision (1) of Section 314, shall be entitled for support to the attendance of up to two persons of his or her own choosing, one of whom may be a witness, at the preliminary hearing and at the trial, or at a juvenile court proceeding, during the testimony of the prosecuting witness. Only one of those support persons may accompany the witness to the witness stand, although the other may

remain in the courtroom during the witness' testimony. The person or persons so chosen shall not be a person described in Section 1070 of the Evidence Code unless the person or persons are related to the prosecuting witness as a parent, guardian, or sibling and do not make notes during the hearing or proceeding.

(b) If the person or persons so chosen are also prosecuting witnesses, the prosecution shall present evidence that the person's attendance is both desired by the prosecuting witness for support and will be helpful to the prosecuting witness. Upon that showing, the court shall grant the request unless information presented by the defendant or noticed by the court establishes that the support person's attendance during the testimony of the prosecuting witness would pose a substantial risk of influencing or affecting the content of that testimony. In the case of a juvenile court proceeding, the judge shall inform the support person or persons that juvenile court proceedings are confidential and may not be discussed with anyone not in attendance at the proceedings. In all cases, the judge shall admonish the support person or persons to not prompt, sway, or influence the witness in any way. Nothing in this section shall preclude a court from exercising its discretion to remove a person from the courtroom whom it believes is prompting, swaying, or influencing the witness.

(c) The testimony of the person or persons so chosen who are also prosecuting witnesses shall be presented before the testimony of the prosecuting witness. The prosecuting witness shall be excluded from the courtroom during that testimony. Whenever the evidence given by that person or those persons would be subject to exclusion because given before the corpus delicti has been established, the evidence shall be admitted subject to the court's or the defendant's motion to strike that evidence from the record if the corpus delicti is not later established by the testimony of the prosecuting witness.

SEC. 3. Section 2 of this bill incorporates amendments to Section 868.5 of the Penal Code proposed by both this bill and AB 2212. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1990, (2) each bill amends Section 868.5 of the Penal Code, and (3) this bill is enacted after AB 2212, in which case Section 1 of this bill shall not become operative.

CHAPTER 505

An act to amend Section 15432 of the Government Code, relating to health facilities.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 15432 of the Government Code is amended to read:

15432. As used in this part, the following words and terms shall have the following meanings, unless the context clearly indicates or requires another or different meaning or intent:

(a) "Act" means the California Health Facilities Financing Authority Act.

(b) "Authority" means the California Health Facilities Financing Authority created by this part or any board, body, commission, department, or officer succeeding to the principal functions thereof or to which the powers conferred upon the authority by this part shall be given by law.

(c) "Cost," as applied to a project or portion of a project financed under this part, means and includes all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which those buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during, and for a period not to exceed the later of one year or one year following completion of construction, as determined by the authority, the cost of funding or financing noncapital expenses, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations and improvements, the cost of engineering, reasonable financial and legal services, plans, specifications, studies, surveys, estimates, administrative expenses, and other expenses of funding or financing or necessary or incident to determining the feasibility of constructing, any project or incident to the construction or acquisition or financing of any project.

(d) "Health facility" means any facility, place, or building which is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, or developmental disability, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer, except in the cases of county outpatient facilities, adult day care facilities, as defined

under paragraph (2) of subdivision (a) of Section 1502 of the Health and Safety Code, which provide services to developmentally disabled or mentally impaired persons, community clinics, as defined in paragraph (6), and child day care facilities, as defined in paragraph (10), and includes all of the following types:

(1) A general acute care hospital which is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

(2) An acute psychiatric hospital which is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.

(3) A skilled nursing facility which is a health facility which provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability or skilled nursing care on an extended basis.

(4) An intermediate care facility which is a health facility which provides the following basic services: inpatient care to ambulatory or semiambulatory patients who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability or continuous skilled nursing care.

(5) A special health care facility which is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff which provides inpatient or outpatient, acute or nonacute care, including, but not limited to, medical, nursing, rehabilitation, dental, or maternity.

(6) A community clinic which is a clinic operated by a tax-exempt nonprofit corporation which is supported and maintained in whole or in part by donations, bequests, gifts, grants, government funds or contributions, which may be in the form of money, goods, or services. In a community clinic, any charges to the patient shall be based on the patient's ability to pay, utilizing a sliding fee scale. No corporation other than a nonprofit corporation, exempt from federal income taxation under paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code of 1954 as amended, or a statutory successor thereof, shall operate a community clinic. However, the licensee of any community clinic so licensed on September 26, 1978, shall not be required to obtain tax-exempt status under either federal or state law. No natural person or persons shall operate a community clinic.

(7) An adult day health center which is a facility, as defined under subdivision (b) of Section 1570.7 of the Health and Safety Code, which provides adult day health care, as defined under subdivision (a) of Section 1570.7 of the Health and Safety Code.

(8) Any other type of facility for the provision of inpatient or outpatient care which is a county health facility, as defined in subdivision (a) of Section 16715 of the Welfare and Institutions Code, (without regard to whether funding is provided for the facility under that section).

(9) A multilevel facility is an institutional arrangement where a residential facility for the elderly is operated as a part of, or in conjunction with, an intermediate care facility, a skilled nursing facility, or a general acute care hospital. "Elderly," for the purposes of this paragraph, means a person 62 years of age or older.

(10) A child day care facility operated in conjunction with a health facility. A child day care facility is a facility, as defined in Section 1596.750 of the Health and Safety Code. For purposes of this paragraph, "child" means a minor from birth to 18 years of age.

(11) An intermediate care facility/developmentally disabled habilitative which is a health facility, as defined under subdivision (e) of Section 1250 of the Health and Safety Code.

(12) An intermediate care facility/developmentally disabled-nursing which is a health facility, as defined under subdivision (h) of Section 1250 of the Health and Safety Code.

(13) A community care facility which is a facility, as defined under subdivision (a) of Section 1502 of the Health and Safety Code, which provides care, habilitation, rehabilitation, or treatment services to developmentally disabled or mentally impaired persons.

(14) A nonprofit community care facility, as defined in subdivision (a) of Section 1502 of the Health and Safety Code, other than a facility which, as defined in that subdivision, is a residential facility for the elderly, a foster family agency, a foster family home, a full service adoption agency, or a noncustodial adoption agency.

(15) A nonprofit accredited community work-activity program, as specified in subdivision (e) of Section 19352 and Section 19355 of the Welfare and Institutions Code.

"Health facility" includes a clinic which is described in subdivision (*l*) of Section 1206 of the Health and Safety Code.

"Health facility" includes the following facilities, if operated in conjunction with one or more of the above types of facilities: a laboratory, laundry, nurses or interns residence, housing for staff or employees and their families, patients or relatives of patients, physicians' facility, administration building, research facility, maintenance, storage, or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, and the necessary and usual attendant and related facilities and equipment and including parking and supportive service facilities or structures required or useful for the orderly conduct of such health facility.

"Health facility" also includes: (i) an insurance company or insurance program organized pursuant to subdivision (q) of Section 15438; or (ii) the funding of reserves (including insurance or capital reserves), or payment of premiums to, a reciprocal insurance company or one or more participating health institutions if the funds are used in connection with one or more of the above types of facilities: liability insurance or self-insurance, for a participating health institution, including reserves therefor, and other funds necessary or usual and appropriate in connection therewith.

"Health facility" does not include any institution, place, or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

(e) "Participating health institution" means a city, city and county, county, a district hospital, or a private nonprofit corporation or association authorized by the laws of this state to provide or operate a health facility and which, pursuant to the provisions of this part, undertakes the financing or refinancing of the construction or acquisition of a project or of working capital as provided in this part.

(f) "Project" means construction, expansion, remodeling, renovation, furnishing, or equipping, or funding or financing of a health facility or acquisition of a health facility to be financed or refinanced with funds provided in whole or in part pursuant to this part. "Project" may include any combination of one or more of the foregoing undertaken jointly by any participating health institution with one or more other participating health institutions.

(g) "Working capital" means moneys to be used by, or on behalf of, a participating health institution to pay or prepay maintenance or operation expenses or any other costs that would be treated as an expense item, under generally accepted accounting principles, in connection with the ownership or operation of a health facility, including, but not limited to, reserves for maintenance or operation expenses, interest for not to exceed one year on any loan for working capital made pursuant to this part, and reserves for debt service with respect to, and any costs necessary or incidental to, that financing.

CHAPTER 506

An act to amend Sections 2089.5, 2107, and 2135 of the Business and Professions Code, relating to healing arts.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2089.5 of the Business and Professions Code is amended to read:

2089.5. (a) Clinical instruction in the subjects listed in

subdivision (b) of Section 2089 shall meet the requirements of this section and shall be considered adequate if the requirements of subdivision (a) of Section 2089 and the requirements of this section are satisfied.

(b) Instruction in the clinical courses shall total a minimum of 72 weeks in length.

(c) Instruction in the core clinical courses of surgery, medicine, pediatrics, obstetrics and gynecology, and psychiatry shall total a minimum of 36 weeks in length with a minimum of eight weeks instruction in surgery, eight weeks in medicine, six weeks in pediatrics, six weeks in obstetrics and gynecology, and four weeks in psychiatry.

(d) Of the instruction required by subdivision (b), including all of the instruction required by subdivision (c), 54 weeks shall be performed in a hospital that sponsors the instruction and shall meet one of the following:

(1) Is a formal part of the medical school.

(2) Has an approved residency program in family practice or in the clinical area of the instruction for which credit is being sought.

(3) Is formally affiliated with an approved medical school located in the United States or Canada.

(4) Is formally affiliated with a medical school located outside the United States or Canada.

(e) If the institution, specified in subdivision (d), is formally affiliated with a medical school located outside the United States or Canada, it shall meet the following:

(1) The formal affiliation shall be documented by a written contract detailing the relationship between the medical school and hospital and the responsibilities of each.

(2) The school and hospital shall provide to the division a description of the clinical program. The description shall be in sufficient detail to enable the division to determine whether or not the program provides students an adequate medical education. The division shall approve the program if it determines that the program provides an adequate medical education. If the division does not approve the program, it shall provide its reasons for disapproval to the school and hospital in writing specifying its findings about each aspect of the program that it considers to be deficient and the changes required to obtain approval.

(3) The hospital, if located in the United States, shall be accredited by the Joint Commission on Accreditation of Hospitals, and if located in another country, shall be accredited in accordance with the law of that country.

(4) The clinical instruction shall be supervised by a full-time director of medical education, and the head of the department for each core clinical course shall hold a full-time faculty appointment of the medical school and shall be board certified or eligible, or have an equivalent credential in that specialty area appropriate to the country in which the hospital is located.

(5) The clinical instruction shall be conducted pursuant to a written program of instruction provided by the school.

(6) The school shall supervise the implementation of the program on a regular basis, documenting the level and extent of its supervision.

(7) The hospital-based faculty shall evaluate each student on a regular basis and shall document the completion of each aspect of the program for each student.

(8) The hospital shall ensure a minimum daily census adequate to meet the instructional needs of the number of students enrolled in each course area of clinical instruction, but not less than 15 patients in each course area of clinical instruction.

(9) The division, in reviewing the application of a foreign medical graduate, may require the applicant to submit a description of the clinical program, if the division has not previously approved the program, and may require the applicant to submit documentation to demonstrate that the applicant's clinical training met the requirements of this subdivision.

(10) The medical school shall bear the reasonable cost of any site inspection by the division or its agents necessary to determine whether the clinical program offered is in compliance with this subdivision.

SEC. 2. Section 2107 of the Business and Professions Code is amended to read:

2107. (a) The Legislature intends that the Division of Licensing shall have the authority to substitute postgraduate education and training to remedy deficiencies in an applicant's medical school education and training. The Legislature further intends that applicants who graduated from medical school prior to January 1, 1986, and who substantially completed their clinical training shall be granted that substitute credit if their postgraduate education took place in an accredited program.

(b) To meet the requirements for licensure set forth in Sections 2089 and 2089.5, the Division of Licensing may require an applicant under this article to successfully complete additional education and training. In determining the content and duration of the required additional education and training, the division shall consider the applicant's medical education and performance on standardized national examinations, and may substitute up to 36 weeks of approved postgraduate training in lieu of specified undergraduate requirements. Postgraduate training substituted for undergraduate training shall be in addition to the year of postgraduate training required by Sections 2101, 2102, and 2103.

(c) In addition, the division shall accept certified postgraduate training in a program approved by the American Accreditation Committee for Graduate Medical Education or the Coordinating Council of Medical Education of Canada in lieu of undergraduate work in the same subject for any applicant who meets the following criteria:

(1) Graduation from medical school prior to January 1, 1986.

(2) Successful completion of at least 60 weeks of clinical instruction while in medical school.

(3) Completion of clinical instruction which does not meet, in whole or in part, the requirements of Section 2089.5.

Certification of this training shall be made by the program's Director of Medical Education, and shall state that the applicant has satisfactorily completed postgraduate training in the subject areas for which the applicant seeks undergraduate credit and for a duration required by Section 2089.5. Postgraduate training substituted for undergraduate training shall be in addition to the year of postgraduate training required by Sections 2101, 2102, and 2103.

SEC. 3. Section 2135 of the Business and Professions Code is amended to read:

2135. The Division of Licensing shall issue a physician's and surgeon's certificate on reciprocity to an applicant who meets all of the following requirements:

(a) The applicant holds an unlimited license as a physician and surgeon in another state which was issued upon:

(1) Successful completion of a resident course of professional instruction equivalent to that specified in Section 2089.

(2) Taking and passing a written examination that is recognized by the division to be equivalent in content to that administered in California.

(b) The applicant has practiced medicine, with an unrestricted license, in a state or states, or as a member of the active military, United States Public Health Services, or other federal program, for a period of at least four years. Any time spent by the applicant in an approved postgraduate training program or clinical fellowship acceptable to the division shall not be included in the calculation of this four-year period.

(c) The division determines that no disciplinary action has been taken against the applicant by any medical licensing authority and that the applicant has not been the subject of adverse judgments or settlements resulting from the practice of medicine which the division determines constitutes evidence of a pattern of negligence or incompetence.

(d) The applicant takes and passes the clinical competency written examination administered by the division or takes and passes in another state, commonwealth, or territory of the United States, that examination which is recognized by the division to be equivalent to that administered in this state. However, this subdivision shall not apply to graduate of a medical school accredited by a national accrediting agency approved by the division and recognized by the United States Department of Education.

(e) The applicant takes and passes an oral examination administered by the division.

(f) The applicant has not committed any acts or crimes constituting grounds for denial of a certificate under Division 1.5

(commencing with Section 475) or Article 12 (commencing with Section 2220).

(g) Any application received from an applicant who has practiced medicine with an unrestricted license, in a state or states, or as a member of the active military, United States Public Health Services, or other federal program for four or more years shall be reviewed and processed pursuant to this section. Any time spent by the applicant in an approved postgraduate training program or clinical fellowship acceptable to the division shall not be included in the calculation of this four-year period. This subdivision does not apply to applications which may be reviewed and processed pursuant to Section 2151.

CHAPTER 507

An act to amend Sections 3710.2 and 3722 of, and to add Section 3701.7 to, the Labor Code, relating to workers' compensation, and making an appropriation therefor.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 3701.7 is added to the Labor Code, to read:

3701.7. Where any employer requesting coverage under a new or existing certificate of consent to self-insure has had a period of unlawful uninsurance, either for an applicant in its entirety or for a subsidiary or member of a joint powers authority legally responsible for its own workers' compensation obligations, the following special conditions shall apply before the requesting employer can operate under a certificate of consent to self-insure:

(a) The director may require a deposit of not less than 200 percent of the outstanding liabilities remaining unpaid at the time of application, which had been incurred during the uninsurance period.

(b) At the discretion of the director, where a public or private employer has been previously totally uninsured for workers' compensation pursuant to Section 3700, the director may require an additional deposit not to exceed 100 percent of the total outstanding liabilities for the uninsured period, or the sum of two hundred fifty thousand dollars ($250,000), whichever is greater.

(c) In addition to the deposits required by subdivisions (a) and (b), a penalty shall be paid to the Uninsured Employers Fund of 10 percent per year of the remaining unpaid liabilities, for every year liabilities remain outstanding. In addition, an additional application fee, not to exceed one thousand dollars ($1,000), plus assessments, pursuant to Section 3702.5 and subdivision (b) of Section 3745, may

be imposed by the director and the Self-Insurers' Security Fund, respectively, against private self-insured employers.

(d) An employer may retrospectively insure the outstanding liabilities arising out of the uninsured period, either before or after an application for self-insurance has been approved. Upon proof of insurance acceptable to the director, no deposit shall be required for the period of uninsurance.

The penalties to be paid to the Uninsured Employers Fund shall consist of a one-time payment of 20 percent of the outstanding liabilities for the period of uninsurance remaining unpaid at the time of application, in lieu of any other penalty for being unlawfully uninsured pursuant to this code.

(e) In the case of a subsidiary which meets all of the following conditions, a certificate shall issue without penalty:

(1) The subsidiary has never had a certificate revoked for reasons set forth in Section 3702.

(2) Employee injuries were reported to the Office of Self-Insurance Plans in annual reports.

(3) The security deposit of the certificate holder was calculated to include the entity's compensation liabilities.

(4) Application for a separate certificate or corrected certificate is made within 90 days and completed within 180 days of notice from the Office of Self-Insurance Plans. If the requirements of this subdivision are not met, all penalties pursuant to subdivision (b) of Section 3702.9 shall apply.

(f) The director may approve an application on the date the application is substantially completed, subject to completion requirements, and may make the certificate effective on an earlier date, covering a period of uninsurance, if the employer complies with the requirements of this section.

(g) Any decision by the director may be contested by an entity in the manner provided in Section 3701 5.

(h) Nothing in this section shall abrogate the right of an employee to bring an action against an uninsured employer pursuant to Section 3708.

(i) Nothing in this statute shall abrogate the right of a self-insured employer to insure against known or unknown claims arising out of the self-insurance period.

SEC. 2. Section 3710.2 of the Labor Code is amended to read:

3710.2. Failure of an employer, officer, or anyone having direction, management, or control of any place of employment or of employees to observe a stop order issued and served upon him or her pursuant to Section 3710.1 is a misdemeanor punishable by imprisonment in the county jail not exceeding 60 days or by a fine not exceeding one thousand dollars ($1,000), or both. Fines shall be paid into the State Treasury to the credit of the Uninsured Employers Fund. The director may also obtain injunctive and other relief from the courts to carry out the purposes of Section 3710.1. The failure to obtain a policy of workers' compensation insurance or a

certificate of consent to self-insure as required by Section 3700 is a misdemeanor in accordance with Section 3700.5.

SEC. 3. Section 3722 of the Labor Code is amended to read:

3722. (a) At the time the stop order is issued and served pursuant to Section 3710.1, the director shall also issue and serve a penalty assessment order requiring the uninsured employer to pay to the director, for deposit in the State Treasury to the credit of the Uninsured Employers Fund, the sum of five hundred dollars ($500) per employee employed at the time the order is issued and served, as an additional penalty for being uninsured at that time.

(b) If upon the filing of a claim for compensation under this division the Workers' Compensation Appeals Board finds that any employer has not secured the payment of compensation as required by this division and finds the claim either noncompensable or compensable, the appeals board shall mail a copy of their findings to the uninsured employer and the director, together with a direction to the uninsured employer to file a verified statement pursuant to subdivision (c).

After the time for any appeal has expired and the adjudication of the claim has become final, the uninsured employer shall be assessed and pay as a penalty either of the following:

(1) In noncompensable cases, one thousand dollars ($1,000) per each employee employed at the time of the claimed injury.

(2) In compensable cases, five thousand dollars ($5,000) per each employee employed on the date of the injury.

(c) In order to establish the number of employees the uninsured employer had on the date of the claimed injury in noncompensable cases and on the date of injury in compensable cases, the employer shall submit to the director within 10 days after service of findings, awards, and orders of the Workers' Compensation Appeals Board a verified statement of the number of employees in his or her employ on the date of injury. If the employer fails to submit to the director this verified statement or if the director disputes the accuracy of the number of employees reported by the employer, the director shall use any information regarding the number of employees as the director may have or otherwise obtains.

(d) The maximum amount of penalties which may be assessed pursuant to this section is fifty thousand dollars ($50,000). Payment shall be transmitted to the director for deposit in the State Treasury to the credit of the Uninsured Employers Fund.

(e) The Workers' Compensation Appeals Board may provide for a summary hearing on the sole issue of compensation coverage to effect the provisions of this section.

CHAPTER 508

An act to add Section 22357.1 to the Vehicle Code, relating to speed limits.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22357.1 is added to the Vehicle Code, to read:

22357.1. Notwithstanding Section 22357, a local authority may, by ordinance or resolution, set a prima facie speed limit of 25 miles per hour on any street, other than a state highway, adjacent to any children's playground in a public park but only during particular hours or days when children are expected to use the facilities. The 25 mile per hour speed limit shall be effective when signs giving notice of the speed limit are posted.

CHAPTER 509

An act to add Section 19839.5 to the Government Code, relating to state employees.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 19839.5 is added to the Government Code, to read:

19839.5. Unless in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, every department shall calculate and forward to the Controller a request for payment of all undisputed amounts due under Section 19839 within 25 days of the date of separation of the employee.

CHAPTER 510

An act to amend Sections 54431, 54435, 54461, and 54462 of, and to add Article 3.5 (commencing with Section 54451) to Chapter 2 of Division 20 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 19, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 54431 of the Food and Agricultural Code is amended to read:

54431. It is an unfair trade practice, and unlawful, for any processor, handler, distributor, or agent of any such person, or, with regard to subdivisions (d), (e), and (f), for any cooperative bargaining association or any agent of an association, or for any other person to do any of the following:

(a) Interfere with, restrain, coerce, or boycott producers in the exercise of the rights which are guaranteed pursuant to Section 54402.

(b) Discriminate against any producer with respect to price or other terms of purchase of any raw agricultural commodity, by reason of the producer's membership in, or contract with, any cooperative bargaining association.

(c) Pay or loan money, or give any other thing of value, to a producer as an inducement or reward for refusing or ceasing to belong to, or for breaching one's membership agreement in, a cooperative bargaining association.

(d) Maliciously or knowingly give false reports about the finances, management, or activities of any person subject to this chapter.

(e) Refuse to negotiate or bargain, including refusing to comply with the procedure prescribed in Article 3.5 (commencing with Section 54451), at reasonable times and for reasonable periods of time with a genuine desire to reach agreement and a serious attempt to resolve differences with a cooperative bargaining association for price, terms of sale, compensation for commodities produced under contract, and other contract provisions relative to any commodity which a cooperative bargaining association represents, or refuse to negotiate or bargain, including refusing to comply with the procedure prescribed in Article 3.5 (commencing with Section 54451), at reasonable times and for reasonable periods of time with a genuine desire to reach agreement and a serious attempt to resolve differences with a processor for price, terms of sale, compensation for commodities produced under contract, and other contract provisions relative to any commodity which the cooperative bargaining association represents. This subdivision does not apply to fresh grapes purchased for wine. Also, this subdivision is limited to

processors, handlers, or agents of any of those persons who deal in fruits, nuts, or vegetables for processing and a cooperative bargaining association which meets all of the following:

(1) That, under the articles of incorporation or bylaws of the cooperative bargaining association, the association is producer owned and controlled exclusively by producers.

(2) The cooperative bargaining association has enforceable contracts with its members.

(3) The cooperative bargaining association has financial resources and management reasonably sufficient to accomplish the purpose for which it was organized.

(4) The cooperative bargaining association represents, through its own members, a sufficient number of producers or a sufficient quantity of any particular commodity, or both, to make it an effective agent for producers in bargaining with handlers.

(5) One of the functions of the cooperative bargaining association is acting as principal or agent for its producer members to negotiate or bargain with handlers for prices, terms of sale, compensation for commodities produced under contract and other terms of contracts with respect to the production, sale, and marketing of their commodities.

(f) Refuse to negotiate or bargain for price, terms of sale, compensation for commodities produced under contract, and other contract provisions relative to any commodity which a cooperative bargaining association represents. This subdivision only applies to a cooperative association whose members produce either fresh grapes purchased for wine or whose members produce any other commodity not specified in subdivision (e) and which meets all of the following:

(1) Under the articles of incorporation or bylaws of the cooperative bargaining association, the association is producer owned and controlled exclusively by producers.

(2) The cooperative bargaining association has enforceable contracts with its members.

(3) The cooperative bargaining association has financial resources and management reasonably sufficient to accomplish the purpose for which it was organized.

(4) The cooperative bargaining association represents, through its own members, a sufficient number of producers or a sufficient quantity of any particular commodity, or both, to make it an effective agent for producers in bargaining with handlers.

(5) One of the functions of the cooperative bargaining association is acting as principal or agent for its producer members to negotiate or bargain with handlers for prices, terms of sale, compensation for commodities produced under contract, and other terms of contracts with respect to the production, sale, and marketing of their commodity.

SEC. 2. Section 54435 of the Food and Agricultural Code is amended to read:

54435. Nothing in subdivision (e) or (f) of Section 54431 requires any processor, handler, distributor, or agent of any such person, to negotiate over any specific period of time, or to agree upon price, terms of sale, compensation for commodities produced under contract, and other contract provisions relative to any commodity which any cooperative bargaining association represents. However, nothing in this section relieves the parties from the requirement to negotiate and bargain pursuant to subdivision (e) or (f) of Section 54431 or to comply with the procedures prescribed in Article 3.5 (commencing with Section 54451) if applicable.

SEC. 3. Section 54461 of the Food and Agricultural Code is amended to read:

54461. The willful violation of any provision of this chapter is a misdemeanor punishable by a fine of not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each and every violation. This section does not apply to Article 3.5 (commencing with Section 54451).

SEC. 4. Section 54462 of the Food and Agricultural Code is amended to read:

54462. In addition to the penalty which is provided by Section 54461, any person who violates any provision of this chapter is liable civilly for a penalty in an amount not to exceed the sum of five thousand dollars ($5,000) for each and every violation. This section does not apply to Article 3.5 (commencing with Section 54451).

SEC. 5. Article 3.5 (commencing with Section 54451) is added to Chapter 2 of Division 20 of the Food and Agricultural Code, to read:

Article 3.5. Conciliation

54451. The department shall order conciliation between any cooperative bargaining association and any processor subject to this chapter if it determines, after receiving a request under the procedure specified in Section 54452, that conciliation will materially assist the parties in negotiating an agreement. Either party may request at any time that conciliation be ordered.

54452. The following procedure shall be used upon receipt by the department of a request for conciliation:

(a) The request from one of the parties to the negotiation, referred to as the requesting party, shall be presented on a form prescribed by the department.

(b) The requesting party shall submit, along with the request, the last offer made to the other party, referred to as the responding party, reasons for rejection of the responding party's last offer, and an indication as to what the requesting party believes would be required to reach an agreement. A copy of the request, as well as any information required pursuant to this subdivision, shall be express mailed to the responding party on the same day that the request is submitted to the department.

(c) On the next business day after receiving the request for

conciliation, the department shall notify the responding party that a request for conciliation has been received. The responding party shall be required to respond to the department within three business days after receipt of notification that conciliation has been requested. The response from the responding party shall include the last offer made to the requesting party, reasons for rejection of the requesting party's last offer, and an indication as to what the responding party believes would be required to reach an agreement. The responding party's response shall be made on a form prescribed by the department. A copy of the response, as well as any information required pursuant to this subdivision, shall be express mailed to the requesting party on the same day that the response is submitted to the department.

(d) On the same day that the responding party is notified by the department that a request for conciliation has been made, the department shall notify the conciliation service of the American Arbitration Association that conciliation may be ordered.

(e) On the date that the department notifies the responding party that a conciliation has been requested, the department may also request additional information from either party.

(f) Both parties have three business days after the date of the request made pursuant to subdivision (e) in which to respond to the request for additional information.

(g) Within three business days after final receipt from the parties of all information requested by the department, the department shall determine whether conciliation shall be conducted.

54453. (a) If conciliation is ordered, the department shall, on the day the department determines that conciliation shall be conducted, notify both parties that the conciliation will take place and direct the American Arbitration Association to commence the conciliation process in accordance with its Commercial Mediation Rules for use in California, as amended and in effect December 1, 1988. However, this article prevails if there is any conflict between those rules and this article.

(b) Confidential information disclosed to a conciliator by the parties or by any other person in the course of the conciliation shall not be divulged by the conciliator. All statements, oral or written, records, reports, or other documents received or made by a conciliator while serving in that capacity, or by any other person, shall be confidential. The conciliator shall not be compelled to divulge the information or to testify in regard to the conciliation in any proceeding or judicial forum. The parties shall maintain the confidentiality of the conciliation, and shall not rely on, or introduce as evidence in any proceeding or forum, any of the following:

(1) Views expressed or suggestions made by any party in the course of conciliation proceedings with respect to a possible settlement of the dispute.

(2) Admissions by any party in the course of conciliation proceedings.

(3) Proposals made or views expressed by the conciliator.

(4) The fact that any party in the course of conciliation proceedings had or had not indicated willingness to accept a proposal for settlement made by the conciliator or other party.

54454. The conciliator shall perform the following duties:

(a) Meet with the parties involved in the bargaining process in an attempt to resolve the dispute.

(b) Participate in negotiations and have authority to offer suggestions and recommendations to resolve the dispute.

(c) The total time allotted for conciliation shall not exceed 10 calendar days unless the conciliator feels that an additional period of five calendar days is likely to resolve the dispute. The determination of the conciliator on whether to extend the period of conciliation shall be based on the progress of negotiations during the conciliation process, the impact of a time delay on the parties, and other relevant factors.

(d) If a settlement has not been arrived at through the conciliation process, upon the conclusion of the process and within the time requirements of subdivision (c), the conciliator shall make a final recommendation to the parties as to what he or she believes will equitably resolve the dispute and result in a negotiated settlement. Each party shall be required to respond to the other party, and to the conciliator with their position and response to the conciliator's final recommendations.

54455. If the dispute has not been resolved by the completion of the conciliation process, the conciliator shall file a final report with the department within three business days after the close of conciliation. The report shall include only the following:

(a) A factual summary of the events that occurred during conciliation, including all of the following:

(1) The dates on which conciliation occurred.

(2) The amount of time expended in conciliation on each of those dates.

(3) The location of the conciliation on each of those dates.

(4) The names of the individuals present during conciliation on each of those dates.

(b) The final proposals of each of the parties.

(c) The response, as expressed by each party, to the other party's final proposal.

(d) A description of the remaining unresolved issues, as expressed by each party.

(e) A copy of the original request and response specified in Section 54452.

54456. All reasonable costs incurred in carrying out the conciliation prescribed in this article shall be shared equally by each party to the negotiations.

54457. (a) In the report submitted to the Legislature pursuant to Section 54441, the department shall include a section on this article, which shall consist of the following items:

(1) The number of requests for conciliation.

(2) The number of conciliation cases handled.

(3) The number of conciliation cases reaching settlement through the process prescribed by this article.

(4) The parties involved in conciliation.

(5) Recommended changes to this article that would improve its effectiveness.

(b) The report shall not include any information otherwise confidential pursuant to subdivision (b) of Section 54453.

54458. Any person who violates any provision of this article is liable civilly for a penalty in an amount not to exceed the sum of ten thousand dollars ($10,000) for each and every violation.

CHAPTER 511

An act to amend Sections 2 and 4 of, and to repeal Section 3 of, Chapter 1063 of the Statutes of 1986, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2 of Chapter 1063 of the Statutes of 1986 is amended to read:

Sec. 2. (a) There is hereby created the Legislative Task Force on Medication Misuse to investigate and assess the effectiveness of privately and publicly funded medication education programs directed towards the elderly. The task force shall review the findings of the Assembly Office of Research, made pursuant to subdivision (b), and consider the need for medication education programs, the comparative efficacy and cost effectiveness of operating programs, and the benefits of medication education programs. The task force may hold public hearings as it deems necessary.

(b) The Assembly Office of Research shall investigate and report to the task force on existing medication education programs. The Assembly Office of Research shall also develop a sample brochure for review by the task force.

(c) The task force shall review and approve the sample brochure designed by the Assembly Office of Research. The task force shall make copies of this brochure available to interested parties, as requested.

On or before July 1, 1989, the task force shall report to the Legislature on its findings, conclusions, and recommendations relating to the need for medication education in California.

SEC. 2. Section 3 of Chapter 1063 of the Statutes of 1986 is repealed.

SEC. 3. Section 4 of Chapter 1063 of the Statutes of 1986 is amended to read:

Sec. 4. The task force shall consist of eight members, to be appointed by the Joint Rules Committee. One member shall represent each of the following: the State Department of Health Services, the Triple-A Council of California, the Senior Legislature, the California Conference of Local Health Department Nursing Directors, the Health Officers Association of California, the California Medical Association, the Department of Aging, and the California Pharmacists Association. Members of the task force shall serve without compensation and shall provide for their own expenses. The task force shall be terminated on January 1, 1990.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that information and recommendations are obtained concerning the need for medication education programs as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 512

An act to amend Sections 35786, 38652, 38732, 38872, 38875, and 38887 of, and to add Section 36005 to, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 35786 of the Food and Agricultural Code is amended to read:

35786. Market goat milk may be standardized to a milk fat content of not less than 2.8 percent. Market goat milk at the time of delivery to the consumer shall contain not less than 8.0 percent of solids not fat.

SEC. 2. Section 36005 is added to the Food and Agricultural Code, to read:

36005. If a product is made from goat milk, either the phrase "goat milk" or "made from goat milk" shall immediately precede or follow the name of the product wherever the name appears, and in the same type size and style as the product name.

SEC. 3. Section 38652 of the Food and Agricultural Code is amended to read:

38652. (a) Flavored milk is pasteurized, homogenized milk which meets all standards and requirements which are specified in this division for pasteurized, homogenized milk, and which are

specified in Section 38651, except flavored milk shall contain not less than 3.25 percent milk fat.

(b) Flavored milk made from goat milk need not be homogenized, and shall contain not less than 2.8 percent fat.

SEC. 4. Section 38732 of the Food and Agricultural Code is amended to read:

38732. Yogurt, before the addition of bulky flavors, shall contain not less than 3.5 percent of milk fat. Lowfat yogurt shall contain not less than 1.9 percent, nor more than 2.1 percent, of milk fat before the addition of bulky flavors. Nonfat yogurt shall contain a maximum of 0.5 percent of milk fat.

Yogurt made from goat milk, before the addition of bulky flavors, shall contain not less than 2.8 percent of milk fat.

SEC. 5. Section 38872 of the Food and Agricultural Code is amended to read:

38872. Kefir shall contain not less than 3.5 percent milk fat. Lowfat kefir shall contain not less than 1.9 percent, nor more than 2.1 percent milk fat. Nonfat kefir shall contain a maximum of twenty-five hundredths of 1 percent milk fat.

Kefir made from goat milk shall contain not less than 2.8 percent of milk fat.

SEC. 6. Section 38875 of the Food and Agricultural Code is amended to read:

38875. Fruit kefir is kefir, lowfat kefir, or nonfat kefir which contains not less than 8 percent by weight of clean, mature, sound fruit or its equivalent in other forms. The milk fat content of fruit kefir shall be not less than 2.8 percent. Lowfat fruit kefir shall contain not less than 1.3 percent, nor more than 2 percent of milk fat. Nonfat fruit kefir shall contain a maximum of twenty-five hundredths of 1 percent milk fat. Harmless coloring may be added to fruit kefir.

The milk fat content of fruit kefir made from goat milk shall not be less than 2.0 percent.

SEC. 7. Section 38887 of the Food and Agricultural Code is amended to read:

38887. Fromage frais or soft fresh cheese, without the addition of bulky flavors, shall contain not less than 3.5 percent of milk fat. Lowfat fromage frais or lowfat soft fresh cheese shall contain not less than 1.0 percent of milk fat, without the addition of bulky flavors, nor more than 2.0 percent of milk fat. Nonfat fromage frais or nonfat soft fresh cheese shall contain a maximum of 0.5 percent of milk fat.

Fromage frais or soft fresh cheese made from goat milk, without the addition of bulky flavors, shall contain not less than 2.8 percent of milk fat.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 513

An act to amend Sections 1603.5 and 1626 of, and to repeal Section 1627 of, the Health and Safety Code, relating to blood.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1603.5 of the Health and Safety Code is amended to read:

1603.5. (a) Notwithstanding any other provision of law, every person engaged in the production of blood shall, if the product is intended for transfusion, label each container of blood which the person produces with a label, upon which the following designations shall be printed in letters the size of which shall be no less prominent than the proper name of the product.

(1) If the person giving the blood received no payment for the blood, the designation shall be "volunteer donor."

(2) If the person giving the blood received payment for the blood, the designation shall be "paid donor."

(b) As used in this section:

(1) "Blood" means human whole blood or components of human blood, including plasma, which are prepared from human whole blood by physical, rather than chemical processes, but does not include blood derivatives manufactured or processed by industrial use.

(2) "Industrial use" means a use of blood in which the blood is modified by physical or chemical means to produce derivatives for therapeutic or pharmaceutic biologics, laboratory reagents, or in vitro diagnostics.

(3) "Payment" means the transfer by a blood bank, or any other party, to any person of money or any other valuable consideration which can be converted to money by the recipient, except that "payment" shall not include any of the following:

(i) Cancellation or refund of the nonreplacement fees or related blood transfusion charges.

(ii) Blood assurance benefits to a person as a result of a blood donation to a donor club or blood assurance program.

(iii) Time away from employment granted by an employer to an employee in order to donate blood.

(c) Any blood bank receiving blood from a blood bank outside of

California shall comply with the labeling requirements of this chapter. Any blood bank receiving this blood may label the blood as "volunteer donor" blood only if the blood bank receives with the blood a certificate from the out-of-state blood bank which states either that the particular shipment of blood was acquired from volunteer donors not receiving payment or that all blood processed by the out-of-state blood bank is acquired from volunteer donors not receiving payment. If the blood bank receiving such blood receives no such certificate with the blood, the blood shall be labeled as "paid donor" blood.

(d) No warranty shall be implied from the fact that any blood is labeled in accordance with the requirements of this section.

SEC. 2. Section 1626 of the Health and Safety Code is amended to read:

1626. (a) Except as provided in subdivisions (b) and (c), on or after January 1, 1987, it shall be unlawful, in any transfusion of blood, to use any blood which was obtained from a paid donor.

(b) Subdivision (a) shall not be applicable to any transfusion of blood which was obtained from a paid donor if the physician performing the transfusion has determined, taking into consideration the condition of the patient who is the recipient of the transfusion, that other blood of a type compatible with the blood type of the patient cannot reasonably be obtained for the transfusion.

(c) After March 15, 1987, and on or before December 31, 1989, subdivision (a) shall not apply to blood platelets secured from donors through the hemapheresis process if all of the following requirements are satisfied:

(1) The blood platelets are ordered by a doctor holding a valid California physician's and surgeon's certificate.

(2) The blood platelets are secured from a single donor and are sufficient to constitute a complete platelet transfusion.

(3) The donor's identification number is recorded on the label provided for in Section 1603.5 and is kept in the records of the entity providing the blood platelets for a minimum of five years.

(4) The donor has been examined by a doctor holding a valid California physician's and surgeon's certificate, and a repeat donor is reexamined at least annually.

(5) The transfusion is performed in a general acute care hospital.

(6) The blood platelets are processed according to standards issued by the American Association of Blood Banks, pursuant to Section 1602.1.

(7) The donor and blood are tested in accordance with regulations issued by the State Department of Health Services.

(8) The entity providing the blood platelets is licensed by the State Department of Health Services.

(9) The information that the donor of the blood platelets was compensated is printed on the label in accordance with Section 1603.5.

SEC. 3. Section 1627 of the Health and Safety Code is repealed.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 514

An act to amend Section 1270 of the Penal Code, relating to bail, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1270 of the Penal Code is amended to read:

1270. (a) Any person, who has been arrested for or charged with an offense other than a capital offense may be released on his or her own recognizance by a court or magistrate who could release a defendant from custody upon the defendant giving bail, including a defendant arrested upon an out-of-county warrant, provided that a defendant who is in custody and is arraigned on a complaint alleging an offense which is a misdemeanor, and a defendant who appears before a court or magistrate upon an out-of-county warrant arising out of a case involving only misdemeanors, shall be entitled to an own recognizance release unless the court makes a finding upon the record that an own recognizance release will not reasonably assure the appearance of the defendant as required. In this event the court shall then set bail and specify the conditions, if any, whereunder the defendant shall be released. If the complaint or the out-of-county warrant arises out of a case alleging a misdemeanor offense in which the commission, attempted commission, or conspiracy to commit the offense involves the possession or use of a firearm, or in which there is a violation of Chapter 9 (commencing with Section 240) of Title 8 of Part 1, willful disobedience of any process or order lawfully issued by any court in violation of Section 166, or Section 186.22, 262, 273a, 273d, 273.5, 273.6, 368, 417, 422, 422.6, 647.6, 653k, or 653m, Section 1275 shall apply in considering whether to grant or deny a release under this section.

(b) Article 9 (commencing with Section 1318) shall apply to any person who is released pursuant to this section.

SEC. 2. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide the security and the protection of the courts for the victims of violent crimes as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 515

An act to amend Section 13960 of the Government Code, relating to victims of crime.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 13960 of the Government Code, as amended by Section 2 of Chapter 1357 of the Statutes of 1987, is amended to read:

13960. As used in this article:

(a) "Victim" means any of the following residents of the State of California, or military personnel and their families stationed in California:

(1) A person who sustains injury or death as a direct result of a crime.

(2) Anyone legally dependent for support upon a person who sustains injury or death as a direct result of a crime.

(3) Any member of the family of a victim specified by paragraph (1) or any person in close relationship to such a victim, if that member or person was present during the actual commission of the crime, or any member or person herein described whose treatment or presence during treatment of the victim is medically required for the successful treatment of the victim.

(4) Any member of the family of a person who sustains injury or death as a direct result of a crime when the family member has incurred emotional injury as a result of the crime. Pecuniary loss to these victims shall be limited to only medical expenses, mental health counseling expenses, or both, of which the maximum award shall not exceed ten thousand dollars ($10,000).

(5) In the event of a death caused by a crime, any individual who legally assumes the obligation, or who voluntarily pays the medical or burial expenses incurred as a direct result thereof.

(b) "Injury" includes physical or emotional injury, or both. However, this article does not apply to emotional injury unless such an injury is incurred by a person who also sustains physical injury or threat of physical injury or by a member or person as defined in paragraph (3) or (4) of subdivision (a). For purposes of this article,

a victim of a crime committed in violation of Section 261, 270, 270a, 270c, 271, 272, 273a, 273b, 273d, 285, 286, 288, 288.1, 288a, or 289 of the Penal Code, who sustains emotional injury is presumed to have sustained physical injury.

(c) "Crime" means a crime or public offense as defined in Section 15 of the Penal Code which results in injury to a resident of this state, including such a crime or public offense, wherever it may take place, when the resident is temporarily absent from the state. No act involving the operation of a motor vehicle, aircraft, or water vehicle which results in injury or death constitutes a crime for the purposes of this article, except that a crime shall include any of the following:

(1) Injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or water vehicle.

(2) Injury or death caused by a driver in violation of Section 20001, 23152, or 23153 of the Vehicle Code.

(3) Injury or death caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime in which he or she knowingly and willingly participated.

(d) "Pecuniary loss" means any expenses for which the victim has not and will not be reimbursed from any other source. Losses include all of the following:

(1) The amount of medical or medical-related expense, including psychological or psychiatric expenses, and including, but not limited to, eyeglasses, hearing aids, dentures, or any prosthetic device taken, lost, or destroyed during the commission of the crime, or the use of which became necessary as a direct result of the crime.

(2) The amount of mental health counseling related expenses which became necessary as a direct result of the crime. These counseling services may be provided by a person licensed as a clinical social worker or a person licensed as a marriage, family, and child counselor practicing within the scope of licensure, or within the scope of his or her respective practice acts.

(3) The loss of income or support that the victim has incurred or will incur as a direct result of an injury or death in an amount of more than one hundred dollars ($100) or equal to 20 percent or more of the victims' net monthly income, whichever is less, except that in the case of persons on fixed incomes from retirement or disability who apply for assistance under this article, there shall be no minimum loss requirement.

(4) Pecuniary loss also includes nonmedical remedial care and treatment rendered in accordance with a religious method of healing recognized by state law.

(e) "Board" means the State Board of Control.

(f) "Victim centers" means those centers as specified in Section 13835.2 of the Penal Code.

(g) "Peer counselor" means a provider of mental health counseling services who has completed a specialized course in rape crisis counseling skills development, participates in continuing education in rape crisis counseling skills development, and provides

rape crisis counseling in consultation with a mental health practitioner licensed within the State of California.

This section shall become operative on January 1, 1990.

CHAPTER 516

An act to amend Sections 14156, 14157, and 14303 of the Financial Code, relating to credit unions.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 14156 of the Financial Code is amended to read:

14156. Each certificate issued under this division remains in full force and effect until surrendered and accepted by the commissioner, or until suspended or revoked by the commissioner.

SEC. 2. Section 14157 of the Financial Code is amended to read:

14157. (a) A credit union organized and duly qualified as a credit union in another state of the United States shall become a credit union organized and operating pursuant to this division if in compliance with each of the following requirements:

(1) The credit union has filed a statement with the Secretary of State pursuant to Section 2105 of the Corporations Code.

(2) The commissioner has approved an application filed by the credit union which has not been suspended or revoked.

(3) The interest rate of such credit union on loans made to members residing in this state does not exceed the maximum interest rate permitted by the jurisdiction under whose laws it is organized.

(4) The credit union has obtained bond or insurance coverage as prescribed in Section 14409.

(5) The credit union has obtained insurance or guaranty for its members' share accounts as prescribed in Section 14858.

(6) The credit union submits an annual audit report to the commissioner as prescribed in Article 2 (commencing with Section 14250) of Chapter 3 of this division.

(7) The credit union pays the cost of examination or services performed in accordance with Section 14353.

(8) The credit union pays to the commissioner, in accordance with Section 14351, an annual fee fixed by rule of the commissioner in an amount not to exceed two hundred fifty dollars ($250).

(b) For the purpose of implementing the provisions of this section, the commissioner may cooperate with the administrators of the credit union laws of other states and the commissioner may share with them information received in the administation of this division.

(c) The commissioner may disapprove an application filed

pursuant to this section, or upon reasonable notice and opportunity for hearing suspend or revoke approval of an application, if the commissioner finds that the standards of organization, operation and regulation of the credit union, including but not limited to the laws and regulation of the jurisdiction in which it is organized, do not reasonably conform to the standards of organization, operation and regulation established pursuant to this division, or that 50 percent or more of the members of the credit union are, or are reasonably expected to be, residents of this state.

SEC. 3. Section 14303 of the Financial Code is amended to read:

14303. The liquidating agent or the members of the liquidating committee appointed under this article shall provide the commissioner with proof of bond coverage which extends to the liquidating agent or members of the liquidating committee. The bond shall include fraud, dishonesty, and faithful performance coverage. The premium for that bond shall be paid out of the assets of the credit union.

CHAPTER 517

An act relating to shoreline preservation, and making an appropriation therefor.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) The southern California shoreline from Dana Point in Orange County south to the international border has proven itself to be subject to extreme erosion.

(b) In recognition of these serious conditions, the United States Army Corps of Engineers has focused its Coast of California Storm and Tidal Waves Study on the shoreline of San Diego and Orange Counties.

(c) Technical information from the study will be available in September 1989.

(d) The southern Orange County and San Diego County shoreline region has a well-organized program for coordinating a comprehensive, regionwide shoreline management effort and is actively pursuing the development of a Regional Shoreline Preservation Strategy. The San Diego Association of Governments Shoreline Erosion Committee is composed of elected officials representing local governments with shoreline jurisdiction as well as representatives of state and federal agencies with an interest in shoreline issues. The committee was formed in 1978 and has provided leadership for the region in addressing shoreline problems.

(e) Intergovernmental cooperation will be necessary if the federal, state, and local jurisdictions that share the responsibility for the health of the shoreline are to succeed in identifying and dealing with erosive conditions.

SEC. 2. (a) The Department of Boating and Waterways and the San Diego Association of Governments, in consultation with the California Coastal Commission, shall develop a San Diego and Orange Counties Shoreline Preservation Strategy which shall consist of the elements listed in subdivisions (b) and (c).

(b) The department shall develop an assessment and atlas of shoreline erosion from Dana Point in Orange County south to the international border and provide recommendations for shoreline protection devices, including sand management and replenishment, land use planning, and other nonstructural alternatives, for specific shoreline hazards identified in the assessment and atlas.

(c) The association shall complete the following elements:

(1) Evaluation of the financial and institutional alternatives for supporting solutions to shoreline erosion.

(2) The development and implementation of a public education and participation element.

(3) The development of a cooperative implementation program for the strategy.

SEC. 3. The sum of one hundred thirty thousand dollars ($130,000) is hereby appropriated from the Special Account for Capital Outlay in the General Fund to the Department of Boating and Waterways for carrying out the purposes of this act. The department shall allocate at least sixty thousand dollars ($60,000) of these funds to the San Diego Association of Governments for the purposes of this act.

SEC. 4. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 518

An act relating to correctional facilities.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Department of Corrections shall conduct a study on the feasibility of constructing a state prison on surplus federal properties in southern California. The department shall report its findings to the Legislature no later than January 1, 1991.

CHAPTER 519

An act to amend Sections 302 and 306 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 302 of the Food and Agricultural Code is amended to read:

302. Notwithstanding any other provision of law, the director may authorize the refund of any money which is received or collected by the department in the payment of any fee, assessment, or tax.

SEC. 2. Section 306 of the Food and Agricultural Code is amended to read:

306. If the director finds that the amount of any refund is less than ten dollars ($10) or an amount established pursuant to Section 16302.1 of the Government Code, the director may retain the amount for use for the same purpose for which the original payment was made, unless demand for the payment of a refund is made within six months after the determination that a refund is due. If a demand is made, the refund shall be paid.

CHAPTER 520

An act to add Section 17537.2 to the Business and Professions Code, relating to advertising.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 17537.2 is added to the Business and Professions Code, to read:

17537.2. If the person making an offer subject to Section 17537 or to subdivision (a) of Section 17537.1, or any employee or agent thereof, violates any provision of Section 17537 or Section 17537.1, the recipient of the offer who is damaged by the violation may bring a civil action against the person making the offer for, and may be awarded, treble damages. The court may award reasonable attorneys' fees to the prevailing party.

CHAPTER 521

An act to amend Section 19556 of the Business and Professions Code, relating to horseracing.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 19556 of the Business and Professions Code is amended to read:

19556. The distribution shall be made by the distributing agent to beneficiaries qualified under this article. For the purposes of this article, a beneficiary shall be:

(a) A nonprofit corporation or organization entitled by law to receive a distribution made by a distributing agent.

(b) Exempt or entitled to an exemption from the same taxes measured by income imposed by this state and the United States as those under which the distributing agent is exempt or entitled to an exemption.

(c) Engaged in charitable, benevolent, civic, religious, educational, or veterans' work similar to that of agencies recognized by an organized community chest in the State of California, except that the funds so distributed may be used by the beneficiary for capital expenditures.

(d) Approved by the board.

No beneficiary otherwise qualified under this section to receive

charity day net proceeds shall be excluded on the basis that the beneficiary provides charitable benefits to persons connected with the care, training, and running of racehorses, except that type of beneficiary shall make an accounting to the board within one calendar year of the date of receipt of any distribution.

CHAPTER 522

An act to amend Sections 61572 and 62402 of the Food and Agricultural Code, relating to milk, and making an appropriation therefor.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 61572 of the Food and Agricultural Code is amended to read:

61572. Any person who violates this chapter, or any regulations adopted under this chapter, is liable civilly in an amount not less than one hundred dollars ($100) and not exceeding one thousand dollars ($1,000) for each and every violation, that sum to be recovered by the director in any court of competent jurisdiction. The amount of penalty which is assessed pursuant to this section on each count of violation shall be based upon the nature of the violation and the seriousness of the effect of the violation upon effectuation of the purposes and provisions of this chapter. The court may, in addition to the civil penalty, award reasonably incurred investigative and enforcement costs, and attorney's fees, to the director. The court may also award attorney's fees to any person successfully defending a civil action under this section. In any civil action initiated by the director under this section, the director shall join in the action, and assert civil penalties against, all parties participating in the commission of the unlawful practice. Any sum which is recovered under this section shall be deposited in the State Treasury to the credit of the Department of Food and Agriculture Fund.

SEC. 2. Section 62402 of the Food and Agricultural Code is amended to read:

62402. Any person who violates this chapter, any provision of any stabilization and marketing plan, or any regulation adopted under this chapter, is liable civilly in an amount not less than one hundred dollars ($100) and not to exceed one thousand dollars ($1,000) for each and every violation. That penalty is to be recovered by the director in any court of competent jurisdiction. The amount of penalty which is assessed pursuant to this section on each count of violation shall be based upon the nature of the violation and the seriousness of the effect of the violation upon effectuation of the

purposes and provisions of this chapter. The court may, in addition to the civil penalty, award reasonably incurred investigative and enforcement costs, and attorney's fees, to the director. The court may also award attorney's fees to any person successfully defending a civil action under this section. In any civil action initiated by the director under this section, the director shall join in the action, and assert civil penalties against, all parties participating in the commission of the unlawful practice. Any sum which is recovered under this section shall be deposited in the State Treasury to the credit of the Department of Food and Agriculture Fund.

CHAPTER 523

An act to amend Section 2 of Chapter 1612 of the Statutes of 1988, relating to surplus state property.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2 of Chapter 1612 of the Statutes of 1988 is amended to read:

Sec. 2. (a) The Director of General Services, with the approval of the State Public Works Board and the Director of Corrections, may sell, or lease for a term not to exceed 50 years, to the City of Vacaville for current market value and upon such terms and conditions and subject to such reservations and exceptions as the Director of General Services determines are in the best interest of the state, approximately 5.0 acres, being a portion of the California Medical Facility in Vacaville, fronting on Peabody Road at the southeast corner of the facility, subject to the conditions that the property be used solely for animal care and shelter purposes and, if for any reason, the property ceases to be so used, the state may reenter the property and, upon that reentry, any interest in the property shall terminate and ownership shall vest entirely in the state. Any lease entered into pursuant to this section shall be subject to review every five years and this review shall require submission of a report every five years by the lessee. Each report shall be reviewed by the Director of General Services, who shall assure the state that the original purpose of the lease is being carried out.

(b) The sale or lease of the parcel described in subdivision (a) is exempt from Chapter 3 (commencing with Section 21100) to 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code.

(c) The Department of General Services shall be reimbursed for any cost or expense incurred in the disposition of the parcel described in subdivision (a), subject to appropriation therefor by the

Legislature, from the proceeds of that disposition.

(d) After deducting the amount necessary for the purposes of subdivision (c), the net proceeds received from the disposition of that parcel shall be deposited in the General Fund.

(e) As to the property sold or leased pursuant to subdivision (a), the Director of General Services shall except and reserve to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, below a depth of 500 feet, without surface rights of entry.

CHAPTER 524

An act to add Section 19838 to the Government Code, relating to state employees.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 19838 is added to the Government Code, to read:

19838. (a) When the state determines an overpayment has been made to an employee, it shall notify the employee of the overpayment and afford the employee an opportunity to respond prior to commencing recoupment actions. Thereafter, reimbursement shall be made to the state through one of the following methods mutually agreed to by the employee and the state:

(1) Cash payment or payments.

(2) Installments through payroll deduction to cover at least the same number of pay periods in which the error occurred. When overpayments have continued for more than one year, full payment may be required by the state through payroll deductions over the period of one year.

(3) The adjustment of appropriate leave credits or compensating time off, provided that the overpayment involves the accrual or crediting of leave credits (e.g., vacation, annual leave, or holiday) or compensating time off. Any errors in sick leave balances may only be adjusted with sick leave credits.

Absent mutual agreement on a method of reimbursement, the state shall proceed with recoupment in the manner set forth in paragraph (2).

(b) An employee who is separated from employment prior to full repayment of the amount owed shall have withheld from any money owing the employee upon separation an amount sufficient to provide full repayment. If the amount of money owing upon separation is insufficient to provide full reimbursement to the state, the state shall have the right to exercise any and all other legal means to recover

the additional amount owed.

(c) Amounts deducted from payment of salary or wages pursuant to the above provisions, except as provided in subdivision (b), shall in no event exceed 25 percent of the employee's net disposable earnings.

(d) No administrative action shall be taken by the state pursuant to this section to recover an overpayment unless the action is initiated within three years from the date of overpayment.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

CHAPTER 525

An act to add Section 1799.100 to the Civil Code, relating to credit sales.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1799.100 is added to the Civil Code, to read:

1799.100. (a) It is unlawful for any person to take a security interest in any household goods in connection with a consumer credit contract or other credit obligation incurred primarily for personal, family, or household purposes unless (1) the person takes possession of the collateral or (2) the purchase price of the collateral was financed through the consumer credit contract or credit obligation.

(b) An agreement or other document creating a security interest in personal property in connection with a consumer credit contract or other credit obligation incurred primarily for personal, family, or household purposes shall contain a statement of description reviewed and signed by the borrower indicating each specific item of personal property in which the security interest is taken.

(c) Notwithstanding any other provision of law, a person who has a security interest in personal property, except a vessel as defined in Section 9840 of the Vehicle Code or a motor vehicle as defined in Section 415 of the Vehicle Code, taken in connection with a consumer credit contract or other credit obligation incurred primarily for personal, family, or household purposes shall only enforce the security interest by judicial action unless the property is abandoned or freely and voluntarily surrendered by the borrower.

(d) Any security interest taken in violation of subdivision (a) or

not described as required by subdivision (b) is void and unenforceable.

(e) Any person injured by a violation of this section may bring a civil action for the recovery of damages, equitable relief, and attorney's fees and costs.

(f) For the purpose of this section:

(1) "Household goods" means and includes clothing, furniture, appliances, one radio, one television, linens, china, crockery, kitchenware, personal effects, and wedding rings. "Household goods" does not include works of art, electronic entertainment equipment (except one radio and one television), items acquired as antiques, and jewelry (except wedding rings).

(2) "Antique" means any item over one hundred years of age, including such items that have been repaired or renovated without changing their original form or character.

(3) "Collateral" means any household goods or personal item subject to a security interest.

CHAPTER 526

An act to add Sections 1647.2, 1647.3, 1647.4, 1647.5, 1647.6, 1647.7, 1647.8, 1647.9, and 1682 to the Business and Professions Code, relating to dentistry, and making an appropriation therefor.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1647.2 is added to the Business and Professions Code, to read:

1647.2. (a) On and after January 1, 1992, no dentist shall administer or order the administration of, conscious sedation on an outpatient basis for dental patients unless the dentist possesses a current license in good standing to practice dentistry in California and either holds a valid general anesthesia permit or obtains a permit issued by the board authorizing the dentist to administer conscious sedation.

(b) A conscious sedation permit shall expire on the date specified in Section 1715 which next occurs after its issuance, unless it is renewed as provided in this article.

(c) This article shall not apply to the administration of local anesthesia or to general anesthesia.

(d) A dentist who orders the administration of conscious sedation shall be physically present in the treatment facility while the patient is sedated.

SEC. 2. Section 1647.3 is added to the Business and Professions Code, to read:

1647.3. (a) A dentist who desires to administer or order the administration of conscious sedation, shall apply to the board on an application form prescribed by the board. The dentist shall submit an application fee and produce evidence showing that he or she has successfully completed a course of training in conscious sedation which meets the requirements of subdivision (c).

(b) The application for a permit shall include documentation that equipment and drugs required by the board are on the premises.

(c) A course in the administration of conscious sedation shall be acceptable if it meets all of the following as approved by the board:

(1) Consists of at least 60 hours of instruction.

(2) Requires satisfactory completion of at least 20 cases of administration of conscious sedation for a variety of dental procedures.

(3) Complies in all respects with the requirements of the 1985 Guidelines for Teaching the Comprehensive Control of Pain and Anxiety in Dentistry of the American Dental Association.

SEC. 3. Section 1647.4 is added to the Business and Professions Code, to read:

1647.4. (a) On or before June 30, 1991, each dentist who has been using conscious sedation prior to January 1, 1990, shall make a permit application to the board if the dentist desires to continue to administer conscious sedation. The permit application shall document 20 cases of conscious sedation performed by the applicant subsequent to January 1, 1989. A dentist applying pursuant to this section shall pass an onsite inspection and evaluation of the licentiate and the facility, equipment, personnel, and procedures utilized by the licentiate, prior to the issuance of a permit.

(b) If an applicant under this section documents successful completion of a course of study in conscious sedation which met the requirements of the 1982 Guidelines for Teaching the Comprehensive Control of Pain and Anxiety in Dentistry of the American Dental Association, the board may grant the applicant a temporary permit for one year.

(c) An applicant who holds a temporary permit shall pass an onsite inspection and evaluation prior to expiration of the temporary permit. Failure to pass the inspection and evaluation shall result in the immediate and automatic termination of the temporary permit. In the event the board is unable to complete the required inspection and evaluation prior to December 31, 1992, the board may extend the temporary permit for no more than one additional year.

SEC. 4. Section 1647.5 is added to the Business and Professions Code, to read:

1647.5. A permittee shall be required to complete 15 hours of approved courses of study related to conscious sedation as a condition of renewal of a permit. Those courses of study shall be credited toward any continuing education required by the board pursuant to Section 1645.

SEC. 5. Section 1647.6 is added to the Business and Professions

Code, to read:

1647.6. A physical evaluation and medical history shall be taken before the administration of conscious sedation. Any dentist holding a permit shall maintain records of the physical evaluation, medical history, and conscious sedation procedures used as required by board regulations.

SEC. 6. Section 1647.7 is added to the Business and Professions Code, to read:

1647.7. (a) Prior to the issuance or renewal of a permit to administer conscious sedation, the board may, at its discretion, require an onsite inspection and evaluation of the licentiate and the facility, equipment, personnel, and procedures utilized by the licentiate. The permit of any dentist who has failed an onsite inspection and evaluation shall be automatically suspended 30 days after the date on which the board notifies the dentist of the failure unless, within that time period, the dentist has retaken and passed an onsite inspection and evaluation. Every dentist issued a permit under this article shall have an onsite inspection and evaluation at least once in every six years. Refusal to submit to an inspection shall result in automatic denial or revocation of the permit.

(b) An applicant who has successfully completed the course required by Section 1647.3 may be granted a one-year temporary permit by the board prior to the onsite inspection and evaluation. Failure to pass the inspection and evaluation shall result in the immediate and automatic termination of the temporary permit.

(c) The board may contract with public or private organizations or individuals expert in dental outpatient conscious sedation to perform onsite inspections and evaluations. The board may not, however, delegate its authority to issue permits or to determine the persons or facilities to be inspected.

SEC. 7. Section 1647.8 is added to the Business and Professions Code, to read:

1647.8. (a) The application fee for a permit or renewal under this article shall not exceed two hundred fifty dollars ($250).

(b) The fee for an onsite inspection shall not exceed three hundred fifty dollars ($350).

(c) It is the intent of the Legislature that the board hire sufficient staff to administer the program and that the fees established pursuant to this section be equivalent to administration and enforcement costs incurred by the board in carrying out this article.

SEC. 8. Section 1647.9 is added to the Business and Professions Code, to read:

1647.9. A violation of any provision of this article constitutes unprofessional conduct and is grounds for the revocation or suspension of the dentist's permit, license, or both, or the dentist may be reprimanded or placed on probation. The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers

granted therein.

SEC. 9. Section 1682 is added to the Business and Professions Code, to read:

1682. In addition to other acts constituting unprofessional conduct under this chapter, it is unprofessional conduct for:

(a) Any dentist performing dental procedures to have more than one patient undergoing conscious sedation or general anesthesia on an outpatient basis at any given time unless each patient is being continuously monitored on a one-to-one ratio while sedated by either the dentist or another licensed health professional authorized by law to administer conscious sedation or general anesthesia.

(b) Any dentist with patients recovering from conscious sedation or general anesthesia to fail to have the patients closely monitored by licensed health professionals experienced in the care and resuscitation of patients recovering from conscious sedation or general anesthesia. If one licensed professional is responsible for the recovery care of more than one patient at a time, all of the patients shall be physically in the same room to allow continuous visual contact with all patients and the patient to recovery staff ratio should not exceed three to one.

(c) Any dentist with patients who are undergoing conscious sedation to fail to have these patients continuously monitored during the dental procedure with a pulse oximeter or similar or superior monitoring equipment required by the board.

(d) Any dentist with patients who are undergoing conscious sedation to have dental office personnel directly involved with the care of those patients who are not certified in basic cardiac life support (CPR) and recertified biennially.

(e) Any dentist to fail to obtain the written informed consent of a patient prior to administering general anesthesia or conscious sedation. In the case of a minor, the consent shall be obtained from the child's parent or guardian.

(f) Any dentist to fail to report to the board, in writing, within seven days after the death or removal to a hospital or emergency center for medical treatment for a period exceeding 24 hours of any patient to whom conscious sedation or general anesthesia was administered.

SEC. 10. After January 1, 1990, the Board of Dental Examiners shall report to the Legislature on or before January 1 of each year on morbidity and mortality related to conscious sedation and general anesthesia.

CHAPTER 527

An act to amend Section 66796.22 of the Government Code, relating to solid waste.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 66796.22 of the Government Code is amended to read:

66796.22. (a) The Legislature hereby finds and declares that the long-term protection of air, water, and land from pollution due to the disposal of solid waste is best achieved by requiring financial assurances of the closure and postclosure maintenance of solid waste landfills.

(b) Any person owning or operating a solid waste landfill, as defined in subdivision (e) of Section 66799.3, on or after January 1, 1988, shall do both of the following:

(1) On or before January 1, 1989, or upon application to become an operator of a solid waste facility pursuant to subdivision (b) of Section 66796.30, certify to the board and the enforcement agency that all of the following have been accomplished:

(A) The operator or the owner has prepared an initial estimate of closure and postclosure maintenance costs.

(B) The operator or the owner has established a trust fund or equivalent financial arrangement acceptable to the board, as specified in subdivision (f).

(C) (i) The amounts that the operator or the owner will deposit annually in the trust fund or equivalent financial arrangement acceptable to the board will ensure adequate resources for closure and postclosure maintenance.

(ii) All documentation relating to the preparation of the closure and postclosure maintenance costs shall be retained by the owner or operator and shall be available for inspection by the board or the enforcement agency at reasonable times.

(2) (A) (i) Submit to the enforcement agency, the regional water board, and the board a plan for the closure of the landfill and a plan for the postclosure maintenance of the landfill.

(ii) The closure plan and the postclosure maintenance plan shall be submitted not later than the first date after July 1, 1990, that the solid waste facilities permit is required to be reviewed, pursuant to subdivision (d) of Section 66796.33, and shall be included in that review. If the owner or operator intends to close the solid waste landfill within five years of the effective date of this section, or if the solid waste landfill does not have sufficient permitted capacity to operate for at least five years beyond the effective date of this section, the owner or operator shall submit the plans on or before

July 1, 1990, or upon application to become an operator of a solid waste facility pursuant to subdivision (b) of Section 66796.30. No person shall operate a solid waste landfill more than one year after submitting to the enforcement agency, the regional water board, and the board a plan for the closure of the landfill and a plan for the postclosure maintenance of the landfill unless both plans have been approved, or modified and approved, by the enforcement agency, the board, and the regional board pursuant to their authority under the Water Code.

(iii) The closure plan and the postclosure maintenance plan may be modified or revised only upon the filing of a written application therefor by the owner or operator, and the approval, or modification and approval, by the board and the enforcement agency.

(B) After receiving a complete closure plan and postclosure maintenance plan, the regional water board shall approve or disapprove the plans pursuant to the authority and time schedules specified in Division 7 (commencing with Section 13000) of the Water Code. The action by the regional water board shall include a review and approval of the estimates of the funds necessary to implement those portions of the plans approved by the regional water board. The board shall incorporate the action of the regional water board and shall only approve plans that include an acceptable mechanism for providing the necessary funds to implement the plans.

(C) The owner and operator shall, regardless of any changes occurring during the continued operation of the landfill, close and maintain the landfill during postclosure in accordance with the most recent closure plan and the most recent postclosure maintenance plan approved by the enforcement agency and the board pursuant to this section.

(c) The enforcement agency may recover any costs incurred in meeting the requirements of this section by charging a fee as authorized by Section 66796.30.

(d) The board shall adopt emergency regulations on or before July 1, 1989, specifying closure plan and postclosure maintenance plan adoption procedures and uniform closure and postclosure standards. The regulations shall also require solid waste landfill operators or owners to calculate, and periodically revise, cost estimates for closure and postclosure maintenance for a period of not less than 30 years after closure. The board may adopt regulations that distinguish between preliminary and final closure and postclosure maintenance plans. Regulations for preliminary plans may require less specificity and engineering detail than final plans and shall apply only in those cases in which there is reasonable certainty that the solid waste landfill will not close for at least one year following approval of the plans. Preliminary plans shall provide sufficient detail to enable the operator and the board to accurately estimate the costs for closure and postclosure maintenance.

(e) The regulations adopted by the board pursuant to subdivision

(d) shall not duplicate or conflict with the regulations imposing the closure and postclosure maintenance requirements adopted by the state water board which are found in Subchapter 15 (commencing with Section 2510) of Chapter 3 of Title 23 of the California Code of Regulations.

(f) Any person operating or owning a solid waste landfill on or after January 1, 1988, shall, with the closure plan and postclosure maintenance plan required to be submitted pursuant to subdivision (b), submit to the board evidence of financial ability to provide for the cost of closure and postclosure maintenance, in an amount equal to the estimated cost of closure and 15 years of postclosure maintenance, contained in the closure plan and the postclosure maintenance plan submitted pursuant to subdivision (b). The evidence of financial ability shall be in the form of a trust fund into which funds shall be deposited on an annual basis in amounts sufficient to meet closure and postclosure costs when needed, or an equivalent financial arrangement acceptable to the board. The evidence of financial ability shall be reviewed and approved by the enforcement agency and the board in conjunction with the required plans. The evidence of financial ability required of an operator or owner shall be adjusted to equal the estimated costs of closure, and 15 years of postclosure maintenance, in the approved plans. Revisions in the plans prior to closure shall be accompanied by corresponding revisions in cost estimates and financial assurances.

(g) The board shall not require an operator or owner of a solid waste landfill to revise or amend a closure plan submitted pursuant to this section after closure of the landfill in order to reflect subsequent changes in any standards and regulations adopted by the board.

(h) After closure, and during the postclosure maintenance period, a solid waste landfill operator or owner shall maintain evidence of financial ability for postclosure maintenance at all times equal to the estimated cost of 15 years of postclosure maintenance, except that 15 years before the end of the postclosure maintenance period specified in a postclosure maintenance plan approved by the board and the enforcement agency, an operator may request approval of the board to provide evidence of financial ability in a lesser amount.

(i) Nothing in this title affects the authority of the state water board to impose closure and postclosure maintenance requirements on solid waste landfills.

(j) (1) Except for financial arrangements approved by the board pursuant to this section, no indemnification, hold harmless, or similar agreement or conveyance is effective to transfer from the owner or operator of a solid waste landfill to any other person any obligations imposed on the owner or operator under this section.

(2) Notwithstanding paragraph (1), nothing in this section bars any agreement between the owner and the operator regarding their respective obligations for closure and postclosure maintenance of a solid waste landfill, and nothing in this section bars a cause of action

that an owner or operator has or would have against the other party by reason of that agreement.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 528

An act to amend Section 11097 of, and to add Sections 10242.5 and 11099 to, the Government Code, relating to government publications.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 10242.5 is added to the Government Code, to read:

10242.5. (a) The Legislative Counsel shall prepare and publish monthly a report that lists all reports that state and local agencies are required or requested by law to prepare and file with the Governor or the Legislature, or both, in the future or within the preceding year. The list shall include all of the following information:

(1) The name of the agency that is required or requested to prepare and file the report.

(2) A brief description of the subject of the report.

(3) The date on which the report is to be completed and filed.

(4) The date on which the report was completed and filed.

(b) Each report by the Legislative Counsel prepared pursuant to subdivision (a) shall be sent to each Member of the Legislature and shall be available to the public. The Legislative Counsel may charge a fee that does not exceed the direct cost of printing the report.

(c) Each state and local agency that is required or requested by law to prepare a report described in subdivision (a) shall file a copy of the report with the Legislative Counsel.

(d) As used in this section,

(1) "Agency" includes any city, county, special district, department, board, bureau, or commission, including any task force or other similar body that is created by statute or resolution. "Agency" does not include the University of California.

(2) "Report" includes any study or audit.

SEC. 2. Section 11097 of the Government Code is amended to

read:

11097. Beginning with the 1984–85 fiscal year, each state agency shall include in its budget request a listing of state publications, as defined in Section 14902, which were added by legislative mandate or otherwise during the previous fiscal year.

SEC. 3. Section 11099 is added to the Government Code, to read:

11099. Each state agency that publishes or distributes a state publication, as defined in Section 14902, shall file a copy of the publication with the Joint Committee on Rules if it has published or distributed more than 1000 copies of the publication in the preceding 12 months. This section shall not apply to any of the following publications:

(a) Copies of legislative bills.

(b) Copies of statutes, laws, and regulations.

(c) Any information disseminated solely to the press.

(d) Publications that are applications, instructions, or guidelines for complying with any state or federal law, regulation, or policy.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 529

An act to amend Sections 13127, 13129, 13144.2, and 13198 of the Health and Safety Code, relating to fire safety.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 13127 of the Health and Safety Code is amended to read:

13127. Any chemical manufacturing concern, or any flame-retardant application concern, or any concern marketing a flame-retardant fabric or material who desires to have its name appear on the approved list shall first make application to the State Fire Marshal on forms provided by the State Fire Marshal. The application shall be accompanied by a registration fee established by

the State Fire Marshal. The registration fee shall not exceed the amount necessary to cover the costs incurred by the State Fire Marshal in carrying out the provisions of Sections 13120 to 13126, inclusive.

The annual registration fee renewal period shall begin on January 1 and end on May 1 preceding the registration year for which the renewal is requested. A penalty of 50 percent of the listing fee shall be assessed in all cases where the renewal fees are not paid on or before May 1, preceding the registration year for which renewal is requested.

SEC. 2. Section 13129 of the Health and Safety Code is amended to read:

13129. The State Fire Marshal shall remove from the approved list the names of all chemicals, chemically treated fabrics or materials and the names of all flame-retardant applicator concerns who have not paid their renewal registration fee prior to May 1st of each year.

SEC. 3. Section 13144.2 of the Health and Safety Code is amended to read:

13144.2. Any person, firm, corporation, association, or similar organization desiring listing pursuant to Section 13144.1 shall, prior to placement on any list or revision thereto, make an original or annual renewal application to the State Fire Marshal on forms provided by the State Fire Marshal. Original applications shall be accompanied by both an application fee and a listing fee. Renewal applications shall be accompanied by a listing fee. An application for revision shall be accompanied by a revision fee.

Failure to submit an annual renewal application and listing fee shall automatically cause removal of the material, equipment, method of construction, or installation of equipment from the listings or revision thereto.

The original application fee, the listing fee, and the revision fee shall be established and collected by the State Fire Marshal. Those fees shall not exceed the costs incurred by the State Fire Marshal in conducting evaluations and tests of construction materials and equipment and methods of construction and of installation of equipment.

The annual application and listing fee renewal period shall begin on January 1 and end on May 1 preceding the listing year for which the renewal is requested. A penalty of 50 percent of the listing fee shall be assessed in all cases where the renewal fees are not paid on or before May 1, preceding the listing year for which renewal is requested.

The State Fire Marshal may designate in generic terms, without application or fee, materials or assemblies of materials classed by the State Fire Marshal as industrywide, by regulations adopted pursuant to Sections 13108 and 13143.

SEC. 4. Section 13198 of the Health and Safety Code is amended to read:

13198. The State Fire Marshal shall adopt a schedule of fees to be

paid by licensees in an amount which is necessary to cover the cost of administering and enforcing the provisions of this chapter by the State Fire Marshal. Any city or county fire department, or any district providing fire protection services may adopt a schedule of fees as required to cover the cost of enforcing the provisions of this chapter.

The annual and renewal license shall be valid for the period from January 1, to December 31.

The annual license fee renewal period shall begin on September 1 and end on November 1 preceding the license year for which the renewal is requested. A penalty of 50 percent of the license fee shall be assessed in all cases where the renewal fees are not paid on or before November 1, preceding the license year for which renewal is requested.

CHAPTER 530

An act to amend Sections 3050, 3051, 3053, and 3055 of the Fish and Game Code, relating to hunting, and making an appropriation therefor.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 3050 of the Fish and Game Code is amended to read:

3050. (a) No hunting license shall be issued to any person unless he or she presents to the person authorized to issue that license any of the following:

(1) Evidence that he or she has held a hunting license issued by this state in a prior year.

(2) A certificate of completion of a course in hunter safety, principles of conservation, and sportsmanship, as provided in this article, with a hunter safety instruction validation stamp affixed thereto.

(3) A certificate of successful completion of a hunter safety course in another state with a California hunter safety instruction validation stamp affixed thereto.

(4) Evidence of completion of a course in hunter safety, principles of conservation, and sportsmanship, which the commission may, by regulation, require.

(b) The evidence required in subdivision (a) shall be forwarded to the department with the license agent's report of hunting license sales as required pursuant to Section 1055.5.

(c) Subdivision (a) does not apply to any person not a resident of this state, purchasing a hunting license under paragraph (4) or (5)

of subdivision (a) of Section 3031. However, that license shall not qualify as evidence required in subdivision (a) of this section.

SEC. 2. Section 3051 of the Fish and Game Code is amended to read:

3051. The department shall provide for a course of instruction in hunter safety, principles of conservation, and sportsmanship, and for this purpose may cooperate with any reputable association or organization having as one of its objectives the promotion of hunter safety, principles of conservation, and sportsmanship.

The department may designate as a hunter safety instructor any person found by it to be competent to give instruction in the courses required in this article. A person so appointed shall give that course of instruction, and, upon completion thereof, shall issue to the person instructed a certificate of completion as provided by the department in hunter safety, principles of conservation, and sportsmanship.

The department shall prescribe a minimum level of skill and knowledge to be required of all hunter safety instructors, and may limit the number of students per instructor in all required classes.

The department may revoke the certificate of any instructor when, in the opinion of the department, it is in the best interest of the state to do so.

SEC. 3. Section 3053 of the Fish and Game Code is amended to read:

3053. In the case of loss or destruction of a certificate, a duplicate certificate may be issued by the instructor who issued the original certificate, or, by an instructor of the sponsoring organization having adequate records to establish successful completion of the prescribed course, or by the department if verified by adequate records to establish successful completion of the prescribed course. An administrative fee of three dollars ($3) shall be charged for the issuance of a duplicate certificate, for the hunting license year commencing on July 1, 1990, and, for the following years as adjusted pursuant to Section 713.

SEC. 4. Section 3055 of the Fish and Game Code is amended to read:

3055. Persons who apply for a hunting license and qualify for the license through the issuance of a certificate of completion of a course in hunter safety, principles of conservation, and sportsmanship as provided by this article, shall obtain a hunter safety instruction validation stamp. The hunter safety instruction validation stamp shall be issued by license agents for a base fee of two dollars ($2), as adjusted under Section 713, in the same manner as resident hunting licenses. The validation stamp shall be affixed to the certificate of completion. A certificate of competence issued by this state prior to January 1, 1990, shall be accepted as equivalent to a certificate of completion issued by this state after January 1, 1990.

CHAPTER 531

An act to amend Section 987.58 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 987.58 of the Military and Veterans Code is amended to read:

987.58. (a) If a veteran dies after filing an application for purchase of a farm or a home, and the veteran's eligibility and qualifications are subsequently approved, the veteran's surviving spouse may, in the discretion of the department, succeed to the veteran's rights under the application, and may succeed to the veteran's rights, privileges, and benefits under this article. The contract of purchase which the department otherwise would have made with the deceased veteran may be made with the surviving spouse.

(b) If a person was a member of the armed forces on active military duty, entered active duty while in the State of California and lived in this state for six months immediately preceding entry into active duty, and was killed in the line of duty while on active duty or died after discharge from active duty from injuries incurred in the line of duty while on active duty, that person is a veteran for purposes of this article, and his or her unremarried surviving spouse may file an application, is entitled to the same rights, privileges, and benefits for which the armed forces member would have been eligible, and may contract with the department pursuant to subdivision (a). In making a determination of eligibility under this subdivision, the department may base its determination on documentation furnished to the surviving spouse by the United States Department of Veterans Affairs specifying the cause of death of the armed forces member.

(c) If a member of the armed forces entered active military duty while in the State of California, lived in this state for six months or more immediately preceding entry into active duty, and is being held as a prisoner of war or has been designated by the armed forces as missing in action, that person is a veteran for purposes of this article, and his or her spouse may file an application, is entitled to the same rights, privileges, and benefits, and may contract with the department pursuant to subdivision (a).

CHAPTER 532

An act to add Section 14132.46 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14132.46 is added to the Welfare and Institutions Code, to read:

14132.46. Pursuant to Sections 14024 and 14124.90, the Director of Health Services may recover for the cost of targeted case management services rendered under Section 14132.44 to eligible Medi-Cal beneficiaries, from any person, corporation, or partnership who, at the time services are rendered, has a contractual or legal obligation to pay for the services.

CHAPTER 533

An act to amend Section 14015 of the Government Code, and to amend Sections 557, 2421.5, 22507.5, 23114, 26708, 38370, and 40001 of, to repeal Section 5903 of, to repeal Article 5 (commencing with Section 8150) and Article 7 (commencing with Section 8300) of Chapter 4 of Division 3 of, and to repeal and add Article 3 (commencing with Section 8000) and Article 4 (commencing with Section 8050) of Chapter 4 of Division 3 of, the Vehicle Code, relating to transportation.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 14015 of the Government Code is amended to read:

14015. (a) The Director of General Services, as agent for the Department of Transportation, may enter into an agreement to purchase, lease-purchase, or lease with an option to purchase real property in the San Francisco Bay area for the purpose of financing, refinancing, and acquiring office and parking facilities, and any other improvements, betterments, and facilities related thereto in order to allow full occupancy by August 30, 1993. The total purchase price, excluding financing costs, shall not exceed one hundred million dollars ($100,000,000) plus all costs of financing, including, but not limited to, interest during acquisition or construction of these facilities, interest payable on any interim loan from the Pooled

Money Investment Account pursuant to Section 16312 or 16313, a reasonably required reserve fund, and the costs of issuance of interim financing or permanent financing after completion of the construction or acquisition of these facilities. In selecting a site or sites for office space and parking facilities, the department shall give consideration to sites located in the East Bay region, including the City of Oakland. Criteria used in the evaluation of prospective sites shall include an economic evaluation of locating in a new or existing state office building in the East Bay region.

(b) The total cost of financing the net cost of acquiring the building and facilities described in subdivision (a), including the costs of modifications and operation, shall not exceed the total avoided costs of leasing and occupying those buildings and facilities currently occupied by the Department of Transportation which will no longer be occupied once the building and facilities described in subdivision (a) are occupied. "Net cost" means the cost of acquiring the building and facilities described in subdivision (a), including financing costs, less the amount realized from the disposition of the existing office building. "Avoided costs" mean those costs the Department of Transportation would have incurred if it continued to occupy the buildings and facilities which would no longer be occupied as a result of the acquistion of the building and facilities described in subdivision (a). In order to ensure that the requirements of this subdivision are met, the Department of Transportation shall provide the Joint Legislative Budget Committee with a report concerning the cost-effectiveness required by this section at least 30 days prior to entering into any purchase agreement.

(c) Pursuant to Section 5702, the Treasurer is hereby authorized to sell certificates of participation, lease revenue bonds, or any other approved form of obligations in connection with the financing, refinancing, and acquisition described in subdivision (a).

(d) The Department of Transportation shall take all necessary actions to ensure that its annual budget includes all payments which may be necessary to satisfy the obligation for the office facilities purchased pursuant to subdivision (a).

(e) Following the acquisition and occupation of the building and facilities described in subdivision (a), the Department of Transportation shall sell the office building at 150 Oak Street in San Francisco. The net proceeds of that sale shall be applied toward any obligations undertaken by the Director of General Services pursuant to subdivision (a).

(f) If the new offices of the Department of Transportation are to be located in a new state office building, the Director of General Services may sell the existing state office building located at 1111 Jackson Street in the City of Oakland and the Department of General Services shall commence preliminary planning for the construction of the new state office building in the East Bay region.

(g) Notwithstanding subdivision (a), the office and parking

facilities acquired by the Department of General Services pursuant to subdivision (a) shall be and remain under the jurisdiction and control of, and shall be operated and maintained by, the Department of Transportation. Construction or acquisition of any office and parking facilities utilizing the financing methods authorized by subdivision (a) shall be done by the Department of General Services as agent of the Department of Transportation. The Department of General Services, in consultation with the Department of Transportation, may contract with a construction manager and others for construction and other services related to the construction of the office and parking facilities financed pursuant to subdivision (a).

SEC. 2. Section 557 of the Vehicle Code is amended to read:

557. A "snowmobile" is a motor vehicle designed to travel over ice or snow in whole or in part on skis, belts, or cleats, which is commonly referred to as an Over Snow Vehicle (OSV).

SEC. 3. Section 2421.5 of the Vehicle Code is amended to read:

2421.5. When any Service Authority for Freeway Emergencies has imposed additional fees on vehicles pursuant to Section 2555 of the Streets and Highways Code, the department shall answer calls and provide central dispatching services for the system on the portions of the California Freeway and Expressway System, and on state highway routes that connect segments of the system, which are located within the county and over which the Department of the California Highway Patrol has law enforcement responsibility. The department shall determine and authorize the service providers eligible to participate in the system. The service authority shall reimburse the department for all costs incurred under this section.

SEC. 4. Section 5903 of the Vehicle Code is repealed.

SEC. 5. Article 3 (commencing with Section 8000) of Chapter 4 of Division 3 of the Vehicle Code is repealed.

SEC. 6. Article 3 (commencing with Section 8000) is added to Chapter 4 of Division 3 of the Vehicle Code, to read:

Article 3. Reciprocity Agreements

8000. The Reciprocity Commission may enter into agreements with foreign jurisdictions that provide for the exemption of fees for commercial vehicles if the foreign jurisdictions provide equivalent exemptions to vehicles registered in this state. The agreements shall be applicable to vehicles which are properly licensed and registered in the foreign jurisdictions. The commission may also enter into agreements that provide for the exemption of regulatory fees which are, or may be imposed, by the Public Utilities Code.

8001. The Reciprocity Commission is authorized to examine the legal requirements of commercial vehicle registration fee statutes of foreign jurisdictions which grant reciprocal privileges to out-of-state vehicles but which do not authorize negotiations or execution of agreements. After examination of the statutes, the commission may

declare the exemptions, benefits, and privileges that commercial vehicles registered in foreign jurisdictions shall be entitled to in this state.

8002. All reciprocity agreements, rules and regulations authorized by this chapter shall be in writing and shall be approved by endorsement by the Attorney General, as to legality only. An agreement shall become effective upon approval of the Attorney General and shall remain in effect until revoked by act of the commission.

SEC. 7. Article 4 (commencing with Section 8050) of Chapter 4 of Division 3 of the Vehicle Code is repealed.

SEC. 8. Article 4 (commencing with Section 8050) is added to Chapter 4 of Division 3 of the Vehicle Code, to read:

Article 4. Apportioned Registration

8050. The Legislature declares that in enacting this article, it adheres to the principle that each state should have the freedom to develop the kind of highway user tax structure that it determines to be most appropriate to itself, that the method of taxation of interstate vehicles should not be a determining factor in developing its user tax structure and that annual taxes or other taxes of the fixed fee type which are not imposed on a basis that reflects the amount of highway use should be apportioned among the states on the basis of vehicle miles traveled within each of the states. If the department determines that apportionment of the taxes on the basis of vehicle miles for a particular fleet of vehicles is impractical, the department may require the taxes on the fleet to be apportioned on an equivalent basis other than miles, as determined by the department.

8051. The Reciprocity Commission may enter into agreement on behalf of this state with the duly authorized representatives of any foreign jurisdiction providing for the registration of vehicles on an apportionment or allocation basis.

8052. (a) The Reciprocity Commission may, on behalf of the state, enter into, and become, a member of the International Registration Plan Agreement developed by the American Association of Motor Vehicle Administrators. The commission may adopt rules and regulations necessary to carry out the provisions of the International Registration Plan or other apportioned registration agreements entered into under the authority of this article.

(b) In administering the International Registration Plan, the state may collect all appropriate registration and license fees due other jurisdictions. Foreign jurisdictions which are members of the agreement shall be authorized to collect all appropriate registration and license fees due to the State of California, and remit the fees to this state pursuant to the terms of the agreement.

8053. Provisions of this code which specify and govern application filing, fee assignment, penalty assessment, and issuance of license plates and registration certificates, shall be applicable to

vehicles registered pursuant to this article.

8054. Upon application for transfer of ownership of a fleet of vehicles apportionately registered pursuant to this article, the department shall permit registration in the new owners name without reassessing the registration, weight, and vehicle license fees, if the application of the new ownership is for the same fleet interstate operation as the previous owner.

8055. This article does not apply to any owner or lessee of a commercial vehicle with primary registration and license plates issued in a foreign jurisdiction which does not grant reciprocity or apportioned registration to residents of this state owning commercial vehicles while operating within that foreign jurisdiction.

8056. Any application filed pursuant to this article which contains vehicles powered by diesel fuel shall include information concerning any diesel fuel tax permit issued by the Board of Equalization.

8057. Any person issued fleet registration pursuant to Article 9.5 (commencing with Section 5301) of Chapter 1 or this article shall:

(a) Maintain fleet records which support the mileage, cost, and weight of all vehicles apportioned registered. Mileage records, including copies of all permits used, shall be retained for five years, or until audited, whichever occurs first. Vehicle cost and weight records shall be retained for three years following the date the vehicle is deleted from the fleet.

(b) Make fleet records available to the department at its request for audit to verify the accuracy of the records. In the event the records are not made available within 30 days of the request, the department may assess full California fees and penalties and may suspend or cancel apportioned registration privileges. The registrant may be required to reimburse the department auditor per diem and travel expenses under certain conditions as determined by the director.

8058. The fees determined to be due and owing under this article shall be a lien upon all vehicles of the applicant of a type subject to registration under this code, and the provisions of Article 6 (commencing with Section 9800) of Chapter 6 shall apply.

SEC. 9. Article 5 (commencing with Section 8150) of Chapter 4 of Division 3 of the Vehicle Code is repealed.

SEC. 10. Article 7 (commencing with Section 8300) of Chapter 4 of Division 3 of the Vehicle Code is repealed.

SEC. 11. Section 22507.5 of the Vehicle Code is amended to read:

22507.5. (a) Notwithstanding Section 22507, local authorities may, by ordinance or resolution, prohibit or restrict the parking or standing of vehicles on certain streets or highways, or portions thereof, between the hours of 2 a.m. and 6 a.m., and may, by ordinance or resolution, prohibit or restrict the parking or standing, on any street, or portion thereof, in a residential district, of commercial vehicles having a manufacturer's gross vehicle weight rating of 10,000 pounds or more. The ordinance or resolution relating to parking between the hours of 2 a.m. and 6 a.m. may provide for

a system of permits for the purpose of exempting from the prohibition or restriction of the ordinance or resolution handicapped persons and residents of high-density, multiple-family dwelling areas or similar areas lacking adequate offstreet parking facilities. The ordinance or resolution relating to the parking or standing of commercial vehicles in a residential district, however; shall not be effective with respect to any commercial vehicle making pickups or deliveries of goods, wares, and merchandise from or to any building or structure located on the restricted streets or highways or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling, or construction of any building or structure upon the restricted streets or highways for which a building permit has previously been obtained.

(b) Subdivision (a) of this section is applicable to vehicles specified in subdivision (a) of Section 31303, except that no ordinance or resolution adopted pursuant to subdivision (a) of this section may permit the parking of those vehicles which is otherwise prohibited under this code.

(c) For the purpose of implementing this section, each local authority may, by ordinance, define the term "residential district" in accordance with its zoning ordinance. The ordinance shall not be effective unless the legislative body of the local authority holds a public hearing on the proposed ordinance prior to its adoption, with notice of the public hearing given in accordance with Section 65090 of the Government Code.

SEC. 12. Section 23114 of the Vehicle Code, as amended by Senate Bill 610, is amended to read:

23114. (a) No vehicle shall be driven or moved on any highway unless the vehicle is so constructed, covered, or loaded as to prevent any of its contents or load other than clear water or feathers from live birds from dropping, sifting, leaking, blowing, spilling, or otherwise escaping from the vehicle.

(b) (1) Aggregate material shall only be carried in the cargo area of a vehicle. The cargo area shall not contain any holes, cracks, or openings through which that material may escape, regardless of the degree to which the vehicle is loaded, except as provided in paragraph (2).

(2) Every vehicle used to transport aggregate materials, regardless of the degree to which the vehicle is loaded, shall be equipped with all of the following:

(A) Properly functioning seals on any openings used to empty the load, including, but not limited to, bottom-dump release gates and tailgates.

(B) Splash flaps behind every tire, or set of tires, regardless of position on the truck, truck tractor, or trailer.

(C) Center flaps at a location to the rear of each bottom/dump release gate as to trucks or trailers equipped with bottom/dump release gates. The center flap may be positioned directly behind the bottom/dump release gate and in front of the rear axle of the vehicle,

or it may be positioned to the rear of the rear axle in line with the splash flaps required behind the tires. The width of the center flap shall extend not more than one inch from one sidewall to the opposite sidewall of the inside tires and shall extend to within five inches of the pavement surface, and shall be not less than 24 inches from the bottom edge to the top edge of that center flap.

(D) Fenders starting at the splash flap with the leading edge of the fenders extending forward at least six inches beyond the center of the axle which cover the tops of tires not already covered by the truck, truck tractor, or trailer body.

(E) Complete enclosures on all vertical sides of the cargo area, including, but not limited to, tailgates.

(F) Shed boards designed to prevent aggregate materials from being deposited on the vehicle body during top loading.

(c) Vehicles comprised of full rigid enclosures are exempt only from subparagraphs (C) and (F) of paragraph (2) of subdivision (b).

(d) For purposes of this section, "aggregate material" means rock fragments, pebbles, sand, dirt, gravel, cobbles, crushed base, asphalt, and other similar materials.

(e) (1) On and after September 1, 1990, in addition to subdivisions (a) and (b), no vehicle shall transport any aggregate material upon a highway unless the material is covered.

(2) Vehicles transporting loads composed entirely of asphalt material are exempt only from the provisions of this section requiring that loads be covered.

(3) Vehicles transporting loads composed entirely of petroleum coke material shall not be required to cover their loads if they are loaded using safety procedures, specialized equipment, and a chemical surfactant designed to prevent materials from blowing, spilling, or otherwise escaping from the vehicle.

(4) Vehicles transporting loads of aggregate materials shall not be required to cover their loads if the load, where it contacts the sides, front, and back of the cargo container area, remains six inches from the upper edge of the container area, and if the load does not extend, at its peak, above any part of the upper edge of the cargo container area.

(5) The requirements of this subdivision shall become operative on September 1, 1990.

SEC. 13. Section 26708 of the Vehicle Code is amended to read:

26708. (a) (1) No person shall drive any motor vehicle with any object or material placed, displayed, installed, affixed, or applied upon the windshield or side or rear windows.

(2) No person shall drive any motor vehicle with any object or material placed, displayed, installed, affixed, or applied in or upon the vehicle which obstructs or reduces the driver's clear view through the windshield or side windows.

(3) This subdivision applies to a person driving a motor vehicle with the driver's clear vision through the windshield, or side or rear windows, obstructed by snow or ice.

(b) This section does not apply to:

(1) Rearview mirrors.

(2) Adjustable nontransparent sunvisors which are mounted forward of the side windows and are not attached to the glass.

(3) Signs, stickers, or other materials which are displayed in a 7-inch square in the lower corner of the windshield farthest removed from the driver, signs, stickers, or other materials which are displayed in a 7-inch square in the lower corner of the rear window farthest removed from the driver, or signs, stickers, or other materials which are displayed in a 5-inch square in the lower corner of the windshield nearest the driver.

(4) Side windows which are to the rear of the driver.

(5) Direction, destination, or termini signs upon a passenger common carrier motor vehicle or a schoolbus, if those signs do not interfere with the driver's clear view of approaching traffic.

(6) Rear window wiper motor.

(7) Rear trunk lid handle or hinges.

(8) The rear window or windows, when the motor vehicle is equipped with outside mirrors on both the left- and right-hand sides of the vehicle that are so located as to reflect to the driver a view of the highway through each mirror for a distance of at least 200 feet to the rear of the vehicle.

(9) A clear, transparent lens affixed to the side window opposite the driver on a vehicle greater than 80 inches in width and which occupies an area not exceeding 50 square inches of the lowest corner toward the rear of that window and which provides the driver with a wide-angle view through the lens.

(10) Sun screening devices meeting the requirements of Section 26708.2 installed on the side windows on either side of the vehicle's front seat, if the driver or a passenger in the front seat has in his or her possession a letter or other document signed by a licensed physician and surgeon certifying that the person must be shaded from the sun due to a medical condition, or has in his or her possession a letter or other document signed by a licensed optometrist certifying that the person must be shaded from the sun due to a visual condition. The devices authorized by this paragraph shall not be used during darkness.

(c) Notwithstanding subdivision (a), transparent material may be installed, affixed, or applied to the topmost portion of the windshield if:

(1) The bottom edge of the material is at least 29 inches above the undepressed driver's seat when measured from a point 5 inches in front of the bottom of the backrest with the driver's seat in its rearmost and lowermost position with the vehicle on a level surface.

(2) The material is not red or amber in color.

(3) There is no opaque lettering on the material and any other lettering does not affect primary colors or distort vision through the windshield.

(4) The material does not reflect sunlight or headlight glare into

the eyes of occupants of oncoming or following vehicles to any greater extent than the windshield without the material.

SEC. 14. Section 38370 of the Vehicle Code is amended to read:

38370. (a) The Department of Motor Vehicles shall not identify any new off-highway motor vehicle, which is subject to identification and which produces a maximum noise level that exceeds the following noise limit, at a distance of 50 feet from the centerline of travel, under test procedures established by the Department of the California Highway Patrol.

(1) Any such vehicle manufactured before January 1, 1973	92 dbA
(2) Any such vehicle manufactured on or after January 1, 1973, and before January 1, 1975	88 dbA
(3) Any such vehicle manufactured on or after January 1, 1975, and before January 1, 1986	86 dbA
(4) Any such vehicle manufactured on or after January 1, 1986	82 dbA

(b) The department may accept a dealer's certificate as proof of compliance with this section.

(c) Test procedures for compliance with this section shall be established by the Department of the California Highway Patrol, taking into consideration the test procedures of the Society of Automotive Engineers.

(d) No person shall sell or offer for sale any new off-highway motor vehicle which is subject to identification and which produces a maximum noise level that exceeds the noise limits in subdivision (a), and for which noise emission standards or regulations have not been adopted by the Administrator of the Environmental Protection Agency pursuant to the Federal Noise Control Act of 1972 (P.L. 92-574).

(e) No person shall sell or offer for sale any new off-highway motor vehicle which is subject to identification and which produces a noise level that exceeds, or in any way violates, the noise emission standards or regulations adopted for such a motor vehicle by the Administrator of the Environmental Protection Agency pursuant to the Federal Noise Control Act of 1972 (P.L. 92-574).

(f) As used in this section, the term "identify" is equivalent to the term "licensing" as used in Section 6(e)(2) of the Federal Noise Control Act of 1972 (P.L. 92-574).

(g) Any off-highway motor vehicle, when operating pursuant to Section 38001, shall at all times be equipped with a silencer, or other device, which limits noise emissions to not more than 101 dbA if manufactured on or after January 1, 1975, or 105 dbA if manufactured before January 1, 1975, when measured from a distance of 20 inches using test procedures established by the Society of Automotive Engineers under Standard J-1287.

SEC. 15. Section 40001 of the Vehicle Code is amended to read:

40001. (a) It is unlawful for the owner, or any other person, employing or otherwise directing the driver of any vehicle to cause the operation of the vehicle upon a highway in any manner contrary to law.

(b) It is unlawful for an owner to request, cause, or permit the operation of any vehicle:

(1) Which is not registered or for which any fee has not been paid under this code.

(2) Which is not equipped as required in this code.

(3) Which does not comply with the size, weight, or load provisions of this code.

(4) Which does not comply with the regulations promulgated pursuant to this code, or with applicable city or county ordinances adopted pursuant to this code.

(5) Which is not in compliance with the provisions of Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code and the rules and regulations of the State Air Resources Board.

(c) Whenever a violation is chargeable to the owner or lessee of a vehicle pursuant to subdivision (a) or (b), the driver shall not be arrested or cited for the violation unless the vehicle is registered in a state or country other than California, or unless the violation is for an offense that is clearly within the responsibility of the driver. The Department of the California Highway Patrol shall report to the Legislature on or before January 1, 1988, concerning the effects of this subdivision.

(d) Whenever the owner or lessee is prosecuted for a violation pursuant to the provisions of this section the court may, on the request of the owner or lessee, take appropriate steps to make the driver of the vehicle, or any other person who directs the loading, maintenance or operation of the vehicle, a codefendant. In the event the codefendant is held solely responsible and found guilty, the court may dismiss the charge against the owner or lessee.

SEC. 16. The amendment of Section 22507.5 of the Vehicle Code made at the 1989–90 Regular Session of the Legislature by Section 11 of this act does not constitute a change in, but is declaratory of, the existing law.

SEC. 17. The allocations totaling five thousand dollars ($5,000) from the Aeronautics Account in the State Transportation Fund made by the Department of Transportation to the City of Madera and expended by the city for airport purposes at Madera Municipal Airport during the 1979–80 fiscal year are hereby ratified, validated, confirmed, and declared legally effective for all purposes.

SEC. 18. The Legislature finds and declares that Section 17 of this act is necessary since special facts and circumstances applicable to the City of Madera, and not generally applicable, make the accomplishment of this purpose impossible by any general law. There exists a dispute as to the validity of allocations made by the Department of Transportation to the City of Madera from the

Aeronautics Account in the State Transportation Fund for airport purposes based on a good faith expenditure of these funds. The Legislature further finds and declares that these are the only such expenditures of funds involved, that the purpose of this act is impossible to accomplish by any general law, and that a special statute within the meaning of Section 16 of Article IV of the California Constitution applicable only to the City of Madera is therefore necessary.

SEC. 19. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 534

An act to amend Section 11350 of the Health and Safety Code, and to amend Sections 1001.10 and 1463.23 of the Penal Code, relating to AIDS.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11350 of the Health and Safety Code is amended to read:

11350. (a) Except as otherwise provided in this division, every person who possesses (1) any controlled substance specified in subdivision (b) or (c), or paragraph (1) of subdivision (f) of Section 11054, specified in paragraph (14), (15), or (20) of subdivision (d) of Section 11054, or specified in subdivision (b), (c), or (g) of Section 11055, or (2) any controlled substance classified in Schedule III, IV, or V which is a narcotic drug, unless upon the written prescription of a physician, dentist, podiatrist, or veterinarian licensed to practice in this state, shall be punished by imprisonment in the state prison.

(b) Except as otherwise provided in this division, every person who possesses any controlled substance specified in subdivision (e) of Section 11054 shall be punished by imprisonment in the county jail for not more than one year or in the state prison.

(c) Except as otherwise provided in this division, whenever a person who possesses any of the controlled substances specified in subdivision (a) or (b), the judge may, in addition to any punishment

provided for pursuant to subdivision (a) or (b), assess against that person a fine not to exceed seventy dollars ($70) with proceeds of this fine to be used in accordance with Section 1463.23 of the Penal Code. The court shall, however, take into consideration the defendant's ability to pay, and no defendant shall be denied probation because of his or her inability to pay the fine permitted under this subdivision.

SEC. 2. Section 1001.10 of the Penal Code is amended to read:

1001.10. (a) The judge shall require any person described in subdivision (b), as a condition of either placing the person on probation or of permitting the person to participate in a drug diversion program to agree to participate in an AIDS education program. Testing for AIDS antibodies shall be offered but no person described in subdivision (b) shall be required to be tested.

(b) This section shall apply to any person who has either been placed on probation or granted diversion for, any of the following:

(1) A violation of subdivision (a) of Section 11350 of the Health and Safety Code, subdivision (a) of Section 11377 of the Health and Safety Code, Section 11550 of the Health and Safety Code, Section 4143 or 4149 of the Business and Professions Code, or of subdivision (f) of Section 647 if the offense involves intravenous use of a controlled substance.

(2) A violation of subdivision (a) or (b) of Section 647.

SEC. 3. Section 1463.23 of the Penal Code is amended to read:

1463.23. Notwithstanding Section 1463, out of the moneys deposited with the county treasurer pursuant to Section 1463, fifty dollars ($50) of each fine imposed pursuant to Section 4383 of the Business and Professions Code, subdivision (c) of Section 11350, subdivision (c) of Section 11377, or subdivision (b) of Section 11550 of the Health and Safety Code or subdivision (b) of Section 264, subdivision (m) of Section 286, subdivision (m) of Section 288a or Section 647.1, shall be deposited in a special account in the county treasury which shall be used exclusively to pay for the reasonable costs of establishing and providing for the county, or any city within the county, an AIDS (acquired immune deficiency syndrome) education program under the direction of the county health department, in accordance with Chapter 2.71 (commencing with Section 1001.10) of Title 6, and for the costs of collecting and administering funds received for purposes of this section.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficent to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 535

An act to amend Section 11024 of the Business and Professions Code, relating to subdivided lands.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 11024 of the Business and Professions Code is amended to read:

11024. (a) A person who has made an offer to purchase a time-share estate or time-share use in a time-share project, as defined in Section 11003.5, shall have the right to rescind any contract resulting from the acceptance of the offer until midnight of the third calendar day following the day on which the prospective purchaser executed the offer to purchase.

(b) The owner of a subdivision, as defined in subdivision (e) of Section 11004.5, or his or her agent, shall, in accordance with regulations adopted by the Real Estate Commissioner, clearly and conspicuously disclose to all prospective purchasers of time-share interests the right of rescission provided for in subdivision (a), and shall furnish to each offeror a form, as prescribed by regulations of the commissioner, for the exercise of the right of rescission.

(c) Any certificate bearing the signature of the purchaser of a time-share estate or time-share use in a time-share project, as defined in Section 11003.5, which contains an adequate description of the interests sold and a statement by the purchaser that he or she has not exercised the right of rescission within the time limit set forth herein shall constitute conclusive evidence that the right of rescission has not been exercised in any matter involving the rights of a third party who has acted in good faith in reliance upon representations in the certificate.

(d) A purchaser may bring an action for recovery of actual damages or other equitable relief against the owner of a subdivision, as defined in subdivision (e) of Section 11004.5, or his or her agent, for a violation of this section. Upon finding a violation of this section, the court shall award rescission of the contract, if the purchaser pleads rescission. The court may also award:

(1) All damages actually suffered by a purchaser.

(2) Reasonable attorney's fees and costs to the prevailing purchaser.

(3) Other relief deemed appropriate to carry out the intent of this section.

CHAPTER 536

An act to amend Section 13205 of the Water Code, relating to water quality.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 13205 of the Water Code is amended to read:

13205. Each member of a regional board shall receive one hundred dollars ($100) for each day during which that member is engaged in the performance of official duties, except that no member shall be entitled to receive the one hundred dollars ($100) compensation if the member otherwise receives compensation from other sources for performing those duties. The total compensation received by members of each regional board shall not exceed, in any one fiscal year, the sum of thirteen thousand five hundred dollars ($13,500). A member may decline compensation. In addition to the compensation, each member shall be reimbursed for necessary traveling and other expenses incurred in the performance of official duties.

CHAPTER 537

An act to amend Section 170.6 of the Code of Civil Procedure, relating to civil proceedings.

[Approved by Governor September 19, 1989 Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 170.6 of the Code of Civil Procedure is amended to read:

170.6. (1) No judge, court commissioner, or referee of any superior, municipal or justice court of the State of California shall try any civil or criminal action or special proceeding of any kind or character nor hear any matter therein which involves a contested issue of law or fact when it shall be established as hereinafter provided that the judge or court commissioner is prejudiced against any party or attorney or the interest of any party or attorney appearing in the action or proceeding.

(2) Any party to or any attorney appearing in any such action or proceeding may establish this prejudice by an oral or written motion without notice supported by affidavit or declaration under penalty

of perjury or an oral statement under oath that the judge, court commissioner, or referee before whom the action or proceeding is pending or to whom it is assigned is prejudiced against any such party or attorney or the interest of the party or attorney so that the party or attorney cannot or believes that he or she cannot have a fair and impartial trial or hearing before the judge, court commissioner, or referee. Where the judge, other than a judge assigned to the case for all purposes, court commissioner, or referee assigned to or who is scheduled to try the cause or hear the matter is known at least 10 days before the date set for trial or hearing, the motion shall be made at least five days before that date. If directed to the trial of a cause where there is a master calendar, the motion shall be made to the judge supervising the master calendar not later than the time the cause is assigned for trial. If directed to the trial of a cause which has been assigned to a judge for all purposes, the motion shall be made to the assigned judge or to the presiding judge by a party within 10 days after notice of the all purpose assignment, or if the party has not yet appeared in the action, then within 10 days after the appearance. If the court in which the action is pending is authorized to have no more than one judge and the motion claims that the duly elected or appointed judge of that court is prejudiced, the motion shall be made before the expiration of 30 days from the date of the first appearance in the action of the party who is making the motion or whose attorney is making the motion. In no event shall any judge, court commissioner, or referee entertain the motion if it be made after the drawing of the name of the first juror, or if there be no jury, after the making of an opening statement by counsel for plaintiff, or if there is no such statement, then after swearing in the first witness or the giving of any evidence or after trial of the cause has otherwise commenced. If the motion is directed to a hearing (other than the trial of a cause), the motion shall be made not later than the commencement of the hearing. In the case of trials or hearings not herein specifically provided for, the procedure herein specified shall be followed as nearly as may be. The fact that a judge, court commissioner, or referee has presided at or acted in connection with a pretrial conference or other hearing, proceeding or motion prior to trial and not involving a determination of contested fact issues relating to the merits shall not preclude the later making of the motion provided for herein at the time and in the manner hereinbefore provided.

A motion under this paragraph may be made following reversal on appeal of a trial court's decision if the trial judge in the prior proceeding is assigned to conduct a new trial on the matter. The motion shall be made within 60 days after the party or the party's attorney has been notified of the assignment.

(3) If the motion is duly presented and the affidavit or declaration under penalty of perjury is duly filed or such oral statement under oath is duly made, thereupon and without any further act or proof, the judge supervising the master calendar, if any, shall assign some

other judge, court commissioner, or referee to try the cause or hear the matter. In other cases, the trial of the cause or the hearing of the matter shall be assigned or transferred to another judge, court commissioner, or referee of the court in which the trial or matter is pending or, if there is no other judge, court commissioner, or referee of the court in which the trial or matter is pending, the Chairman of the Judicial Council shall assign some other judge, court commissioner, or referee to try the cause or hear the matter as promptly as possible. Under no circumstances shall a party or attorney be permitted to make more than one such motion in any one action or special proceeding pursuant to this section; and in actions or special proceedings where there may be more than one plaintiff or similar party or more than one defendant or similar party appearing in the action or special proceeding, only one motion for each side may be made in any one action or special proceeding.

(4) Unless required for the convenience of the court or unless good cause is shown, a continuance of the trial or hearing shall not be granted by reason of the making of a motion under this section. If a continuance is granted, the cause or matter shall be continued from day to day or for other limited periods upon the trial or other calendar and shall be reassigned or transferred for trial or hearing as promptly as possible.

(5) Any affidavit filed pursuant to this section shall be in substantially the following form:

(Here set forth court and cause)

State of California,	ss.	PEREMPTORY
County of		CHALLENGE

_____, being duly sworn, deposes and says: That he or she is a party (or attorney for a party) to the within action (or special proceeding). That _____ the judge, court commissioner, or referee before whom the trial of the (or a hearing in the) aforesaid action (or special proceeding) is pending (or to whom it is assigned), is prejudiced against the party (or his or her attorney) or the interest of the party (or his or her attorney) so that affiant cannot or believes that he or she cannot have a fair and impartial trial or hearing before the judge, court commissioner, or referee.

_____

Subscribed and sworn to before me this
_____ day of _____, 19____.
(Clerk or notary public or other
officer administering oath)

(6) Any oral statement under oath or declaration under penalty of perjury made pursuant to this section shall include substantially

the same contents as the affidavit above.

(7) Nothing in this section shall affect or limit the provisions of Section 170 and Title 4, Part 2, of this code and this section shall be construed as cumulative thereto.

(8) If any provision of this section or the application to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application and to this end the provisions of this section are declared to be severable.

CHAPTER 538

An act to amend Section 27007 of the Vehicle Code, relating to motor vehicles.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 27007 of the Vehicle Code is amended to read:

27007. No driver of a vehicle shall operate, or permit the operation of, any sound amplification system which can be heard outside the vehicle from 50 or more feet when the vehicle is being operated upon a highway, unless that system is being operated to request assistance or warn of a hazardous situation.

This section does not apply to authorized emergency vehicles or vehicles operated by gas, electric, communications, or water utilities. This section does not apply to the sound systems of vehicles used for advertising, or in parades, political or other special events, except that the use of sound systems on those vehicles may be prohibited by a local authority by ordinance or resolution.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 539

An act to add Section 201.4 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 19, 1989. Filed with Secretary of State September 20, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 201.4 is added to the Revenue and Taxation Code, to read:

201.4. (a) The possessory interest of a nonprofit entity, solely owned by the City of Palm Springs, in property which is located wholly within the boundaries of an Indian reservation and owned by the United States in trust for named Indian allottees, and which is leased to the City of Palm Springs under a master lease a portion of which for purposes of financing is subleased to a nonprofit entity, and subleased by that nonprofit entity to the City of Palm Springs which devotes that property exclusively to convention or related public purposes, shall be deemed to be property owned by the City of Palm Springs.

(b) Property which is owned in fee by a nonprofit entity in which the City of Palm Springs has the sole ownership interest, and leased by that nonprofit entity to the City of Palm Springs which devotes that property exclusively to convention or related public purposes, shall be deemed to be property owned by the City of Palm Springs.

(c) This section shall not be construed to exempt from ad valorem property taxation any possessory interest in otherwise tax-exempt property not devoted exclusively to convention or related public purposes or any property or possessory interest in property of the City of Palm Springs located outside of its boundaries.

SEC. 2. The Legislature, in enacting Section 1 of this act, finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution due to the following unique circumstances:

The City of Palm Springs owns and operates public facilities located upon one of three assessor's parcels which are or will be leased from the United States of America as trustee for certain Indian allottees. That master lease serves the function of pooling rental income from all three parcels for distribution to the numerous Indian allottees. The one leased parcel used by the City of Palm Springs exclusively for public purposes is subleased to a nonprofit public benefit corporation, the sole ownership interest of which is held by the city. That nonprofit entity in turn has financed and constructed the public facility and sublet the property to the City of Palm Springs. The subleases require that any ad valorem taxes assessed against the property or possessory interest therein be paid by the

sublessee. An adjoining parcel owned in fee by the same nonprofit entity is likewise leased to the City of Palm Springs and used by the city for public purposes. The unique nature of ownership and financing and leasing arrangements do not permit a total exemption from taxation under current law of these parcels even though used exclusively for public purposes.

SEC. 3. Notwithstanding Section 2229 of the Revenue and Taxation Code, the requirements of that section relating to any exemption of property for more than five years or for more than 75 percent of the value thereof, shall not apply to any exemption made by this act. In addition, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 4. It is the intent of the Legislature in enacting this act that the provisions of Article 5 (commencing with Section 5081) of Chapter 4 of Part 9 of Division 1 of the Revenue and Taxation Code shall apply to the subject property, including any taxable possessory interest in the subject property acquired by the City of Palm Springs or deemed to be owned by the city, and that the date of apportionment of taxes pursuant to Section 5082 of the Revenue and Taxation Code shall be the date upon which the City of Palm Springs acquires the master lease referred to the Sections 1 and 2.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the property tax relief intended to be provided to a general law city by this act may be made available as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 540

An act to amend Sections 924 and 11693.5 of the Insurance Code, relating to insurance.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 20, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 924 of the Insurance Code is amended to read:

924. The commissioner shall collect a late filing fee of three hundred thirty-six dollars ($336) from any admitted insurer that fails to make and file in the commissioner's office within the time prescribed by law any statements or stipulations required by this code. After the first month, the commissioner shall also collect a late filing fee of four hundred four dollars ($404) for each and every

month or fractional part of a month thereafter that the insurer continues to transact the business of insurance until those statements and stipulations are filed.

SEC. 2. Section 11693.5 of the Insurance Code is amended to read:

11693.5. The commissioner shall collect a late filing fee of two hundred ninety-five dollars ($295) from any admitted workers' compensation insurer that fails to file in his office within the time prescribed by law any workers' compensation bond, or deposit of securities in lieu thereof, required by this code. After the first month, the commissioner shall also collect an additional late filing fee of three hundred fifty-four dollars ($354) for each and every month or fractional part of a month thereafter that the workers' compensation insurer continues to be admitted to transact the business of workers' compensation insurance until that bond or deposit of securities in lieu thereof is filed.

CHAPTER 541

An act to add Section 66759 to the Government Code, relating to solid waste.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature, in enacting this act, to emphasize the importance of every person's efforts to reduce the amount of waste generated, thus reducing the rising cost of waste management. Notification, as required by this act, will help ensure that residents become aware of their portion of the total cost for solid waste management in the area in which they live.

SEC. 2. Section 66759 is added to the Government Code, to read:

66759. (a) Notwithstanding Section 66757, every local agency which does not directly charge residential households a fee for the collection, transportation, and disposal of solid waste and every local agency which directly charges residential customers a fee which represents less than 90 percent of the average cost of collecting, transporting, and disposing of residential solid waste shall, at least once every three months, arrange to inform all residential households of all of the following:

(1) The average monthly volume of solid waste produced by each residential household.

(2) The total estimated monthly cost to the local agency to collect, transport, and dispose of all solid waste produced by residential households.

(3) The average monthly cost to the local agency to collect,

transport, and dispose of solid waste produced by each residential household.

(b) For purposes of this section, "residential household" means those single and multifamily residential units which are not charged a periodic fee for the collection, transportation, and disposal of solid waste or which are assessed a periodic fee which represents less than 90 percent of the local agency's total cost of providing these services.

(b) Where possible, the notification provided under subdivision (a) shall be distributed by each local agency to residential households in a manner that results in no distribution costs to the local agency in excess of distribution costs otherwise incurred for other purposes.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 542

An act to amend Sections 22225.5, 22225.6, 22225.7, and 22225.8 of, and to add Sections 22225.51, 22225.52, 22225.53, and 22225.65 to, the Education Code, relating to public employee retirement.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature intends, by the enactment of this act, to clarify the scope of personal liability of the members of the Teachers' Retirement Board and certain employees of the State Teachers' Retirement System. By the enactment of this act, the Legislature in no way intends to lessen the scope of liability of the members of the Teachers' Retirement Board or the employees of the State Teachers' Retirement System as it pertains to acts or conduct of a criminal nature or acts or conduct constituting gross negligence. Nor does the Legislature intend to lessen the scope of liability of the State Teachers' Retirement System for acts or conduct breaching the fiduciary duty of the system as that duty pertains to the administration of retirement benefits, including the granting, denial, or withdrawal of benefits.

SEC. 2. Section 22225.5 of the Education Code is amended to read:

22225.5. The board and its officers and employees shall discharge their duties with respect to the system solely in the interest of the members, retirants, and beneficiaries:

(a) For the exclusive purpose of:

(1) Providing benefits to members, retirants, and their beneficiaries.

(2) Defraying reasonable expenses of administering the plan;

(b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(c) By diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

(d) In accordance with the documents and instruments governing the system insofar as such documents and instruments are consistent with this part.

SEC. 3. Section 22225.51 is added to the Education Code, to read:

22225.51. (a) Except as provided in subdivision (b), the assets of the system shall never inure to the benefit of a school district or other employing agency and shall be held for the exclusive purposes of providing benefits to members, retirants, and beneficiaries and defraying reasonable expenses of administering the system.

(b) In the case of a contribution which is made by a school district or other employing agency by a mistake of fact, subdivision (a) shall not prohibit the return of that contribution within one year after the system knows, or should know in the ordinary course of business, that the contribution was made by a mistake of fact.

SEC. 4. Section 22225.52 is added to the Education Code, to read:

22225.52. Except as otherwise provided by law, the board and the officers and employees shall not cause the system to engage in a transaction if they know or should know that such transaction constitutes a direct or indirect:

(a) Sale or exchange, or leasing, of any property from the system to a member, retirant, or beneficiary for less than adequate consideration, or from a member, retirant, or beneficiary to the system for more than adequate consideration.

(b) Lending of money or other extension of credit from the system to a member, retirant, or beneficiary without the receipt of adequate security and a reasonable rate of interest, or from a member, retirant, or beneficiary with the provision of excessive security or an unreasonably high rate of interest.

(c) Furnishing of goods, services, or facilities from the system to a member, retirant, or beneficiary for less than adequate consideration, or from a member, retirant, or beneficiary to the system for more than adequate consideration.

(d) Transfer to, or use by or for the benefit of, a member, retirant,

or beneficiary of any assets of the system for less than adequate consideration.

(e) Acquisition, on behalf of the system, of any school district or other employing agency security, real property, or loan.

SEC. 5. Section 22225.53 is added to the Education Code, to read:

22225.53. The board and its officers and employees shall not do any of the following:

(a) Deal with the assets of the system in their own interest or for their own account.

(b) In their individual or in any other capacity, act in any transaction involving the system on behalf of a party, or represent a party, whose interests are adverse to the interests of the system or the interests of its members, retirants, and beneficiaries.

(c) Receive any consideration for their personal account from any party dealing with the system in connection with a transaction involving the assets of the system.

SEC. 6. Section 22225.6 of the Education Code is amended to read:

22225.6. Any member of the board or its officers who breaches any of the responsibilities, obligations, or duties imposed upon them by Section 22225.51, 22225.52, or 22225.53 shall be personally liable to make good to the Teachers' Retirement Fund any losses to it resulting from each breach, and to restore any profits which have been made through use of assets of the fund and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of the board member or officer.

No board member or officer shall be liable with respect to a breach of fiduciary duty under this part if the breach was committed before the board member or officer became one or ceased to be one.

SEC. 7. Section 22225.65 is added to the Education Code, to read:

22225.65. (a) No board member or officer shall be personally liable for the breach of a fiduciary duty except as set forth in Section 22225.6 or 22225.7 . This subdivision shall apply only to causes of actions arising on or after January 1, 1990.

(b) Nothing in this section shall be interpreted to lessen the scope of liability of members of the Teachers' Retirement Board or employees of the State Teachers' Retirement System for gross negligence or fraud in the investment of the Teachers' Retirement Fund assets, nor to lessen the scope of liability of the State Teachers' Retirement System for breach of fiduciary duty pertaining to the administration of retirement benefits, including the granting, denial, or withdrawal of benefits.

SEC. 8. Section 22225.7 of the Education Code is amended to read:

22225.7. A board member or officer shall be liable for a breach of fiduciary responsibility of another board member or officer with respect to the system in the following circumstances:

(a) If the board member or officer participates knowingly in, or knowingly undertakes to conceal an act or omission of the other

board member or officer knowing such act or omission is a breach.

(b) If the board member's or officer's failure to comply with his or her responsibilities as set forth in Section 22225.51, 22225.52, or 22225.53 has enabled another board member or officer to commit a breach.

(c) If the board member or officer has knowledge of a breach unless the board member or officer makes reasonable efforts under the circumstances to remedy the breach.

SEC. 9. Section 22225.8 of the Education Code is amended to read:

22225.8. Notwithstanding Section 22222, the board may contract with or appoint one or more investment managers to manage the assets of the Teachers' Retirement Fund. If the board has acted with care, skill, prudence, and diligence in meeting the requirements of Sections 22225.52 and 22225.53 in selecting and monitoring the investment managers, then, notwithstanding Sections 22225.5, 22225.52, 22225.53, 22225.6, and 22225.7, no board member shall be liable for the acts or omissions of the investment managers or be under any obligation to invest or otherwise manage any assets of the Teachers' Retirement Fund which are subject to the management of the investment managers.

Incorporation of the fiduciary duty set forth in Section 22225.5 into the terms of a contract between the system and an investment manager shall be admissible as evidence that the board has acted with care, skill, prudence, and diligence in the selection of the investment manager.

CHAPTER 543

An act to amend Section 25608 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 25608 of the Business and Professions Code is amended to read:

25608. Every person who possesses, consumes, sells, gives, or delivers to any other person, any alcoholic beverage in or on any public schoolhouse or any of the grounds thereof, is guilty of a misdemeanor. This section does not, however, make it unlawful for any person to acquire, possess, or use any alcoholic beverage in or on any public schoolhouse, or on any grounds thereof, if any of the following applies:

(a) The alcoholic beverage is acquired, possessed, or used in connection with a course of instruction given at the school and the

person has been authorized to acquire, possess, or use it by the governing body or other administrative head of the school.

(b) The public schoolhouse is surplus school property and the grounds thereof are leased to a lessee which is a general law city with a population of less than 50,000, or the public schoolhouse is surplus school property and the grounds thereof are located in an unincorporated area and are leased to a lessee which is a civic organization, and the property is to be used for community center purposes and no public school education is to be conducted thereon by either the lessor or the lessee and the property is not being used by persons under the age of 21 years for recreational purposes at any time during which alcoholic beverages are being sold or consumed on the premises.

(c) The alcoholic beverages are acquired, possessed, or used during events at a college-owned or operated veterans stadium with a capacity of over 12,000 people, located in a county with a population of over six million people. As used in this subdivision, "events" mean football games sponsored by a college, other than a public community college, or other events sponsored by noncollege groups.

(d) The alcoholic beverages are acquired, possessed, or used during an event not sponsored by any college at a performing arts facility built on property owned by a community college district and leased to a nonprofit organization which is a public benefit corporation formed under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. As used in this subdivision, "performing arts facility" means an auditorium with more than 300 permanent seats.

(e) The alcoholic beverage is wine for sacramental or other religious purposes and is used only during authorized religious services held on or before January 1, 1995.

(f) The alcoholic beverages are acquired, possessed, or used during an event at a community center owned by a community services district and the event is not held at a time when students are attending a public school sponsored activity at the center.

(g) The alcoholic beverage is wine which is acquired, possessed, or used during an event sponsored by a community college district or an organization operated for the benefit of the community college district where the college district maintains both an instructional program in viticulture on no less than 300 acres of land owned by the district and an instructional program in enology, which includes sales and marketing.

Any person convicted of a violation of this section shall, in addition to the penalty imposed for the misdemeanor, be barred from having or receiving any privilege of the use of public school property which is accorded by Article 2 (commencing with Section 82530) of Chapter 8 of Part 49 of the Education Code.

CHAPTER 544

An act to amend Sections 2320, 2405, 3909, 6112, 6403, 8401, 8406, 8461, 8483, 9053, 10162.3, 10162.5, 10162.7, 10163, 10165, 10454, and 20114.5 of, to add Section 10160.5 to, to add Part 3 (commencing with Section 21300) to Division 11 of, and to repeal Section 11006 of, the Probate Code, relating to probate law.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2320 of the Probate Code is amended to read:

2320. (a) Except as otherwise provided by statute:

(1) Every guardian and conservator shall give a bond in the amount fixed by the court, conditioned upon the faithful execution of the duties of the office according to law, to protect the ward or conservatee and all persons interested in the guardianship or conservatorship estate.

(2) Unless the court increases or decreases the amount upon a showing of good cause, the amount of a bond given by an admitted surety insurer shall be the sum of the following:

(A) The value of the personal property of the estate.

(B) The probable annual gross income of all of the property of the estate.

(C) The sum of the probable annual gross payments from the following:

(i) Part 3 (commencing with Section 11000) of, Part 4 (commencing with Section 16000) of, or Part 5 (commencing with Section 17000) of, Division 9 of the Welfare and Institutions Code.

(ii) Subchapter II (commencing with Section 401) of, or Part A of Subchapter XVI (commencing with Section 1382) of, Chapter 7 of Title 42 of the United States Code.

(iii) Any other public entitlements of the ward or conservatee.

(b) If the sureties on the bond are personal sureties, the bond shall be one approved by the court and shall be for twice the amount required for a bond given by an admitted surety insurer.

SEC. 2. Section 2405 of the Probate Code is amended to read:

2405. If there is a dispute relating to the estate between the guardian or conservator and a third person, the guardian or conservator, or the limited conservator to the extent specifically and expressly provided in the order appointing the limited conservator, may do either of the following:

(a) Enter into an agreement in writing with the third person to refer the dispute to a temporary judge designated in the agreement. The agreement shall be filed with the clerk, who shall thereupon, with the approval of the court, enter an order referring the matter

to the designated person. The temporary judge shall proceed promptly to hear and determine the matter in controversy by summary procedure, without any pleadings, discovery, or jury trial. The decision of the temporary judge shall be subject to Section 632 of the Code of Civil Procedure. Judgment shall be entered on the decision and shall be as valid and effective as if rendered by a judge of the court in an action against the guardian or conservator or the third person commenced by ordinary process.

(b) Enter into an agreement in writing with the third person that a judge of the court, pursuant to the agreement and with the written consent of the judge, both filed with the clerk within the time for bringing an independent action on the matter in dispute, may hear and determine the dispute pursuant to the procedure provided in subdivision (a).

SEC. 3. Section 3909 of the Probate Code is amended to read:

3909. (a) Custodial property is created and a transfer is made whenever any of the following occurs:

(1) An uncertificated security or a certificated security in registered form is either:

(A) Registered in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words:

"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(B) Delivered if in certificated form, or any document necessary for the transfer of an uncertificated security is delivered, together with any necessary endorsement to an adult other than the transferor or to a trust company as custodian, accompanied by an instrument in substantially the form set forth in subdivision (b).

(2) Money is paid or delivered to a broker or financial institution for credit to an account in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words:

"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(3) The ownership of a life or endowment insurance policy or annuity contract is either:

(A) Registered with the issuer in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words:

"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(B) Assigned in a writing delivered to an adult other than the transferor or to a trust company whose name in the assignment is

followed in substance by the words:
"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(4) An irrevocable exercise of a power of appointment or an irrevocable present right to future payment under a contract is the subject of a written notification delivered to the payer, issuer, or other obligor that the right is transferred to the transferor, an adult other than the transferor, or a trust company, whose name in the notification is followed in substance by the words:
"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(5) An interest in real property is recorded in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words:
"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(6) A certificate of title issued by a department or agency of a state or of the United States which evidences title to tangible personal property is either:

(A) Issued in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words:
"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(B) Delivered to an adult other than the transferor or to a trust company, endorsed to that person followed in substance by the words:
"as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act."

(7) An interest in any property not described in paragraphs (1) through (6) is transferred to an adult other than the transferor or to a trust company by a written instrument in substantially the form set forth in subdivision (b).

(b) An instrument in the following form satisfies the requirements of subparagraph (B) of paragraph (1) and paragraph (7) of subdivision (a):

"TRANSFER UNDER THE CALIFORNIA UNIFORM TRANSFERS TO MINORS ACT

I, _____
(Name of Transferor or Name and Representative Capacity if a Fiduciary)
hereby transfer to _____,
(Name of Custodian)
as custodian for _____
(Name of Minor)
under the California Uniform Transfers to Minors Act, the following:
(insert a description of the custodial property sufficient to identify it).
Dated: _____

_____
(Signature)

_____ acknowledges receipt of the property
(Name of Custodian)
described above as custodian for the minor named above under the California Uniform Transfers to Minors Act.
Dated: _____

_____"
(Signature of Custodian)

(c) A transferor shall place the custodian in control of the custodial property as soon as practicable.

SEC. 4. Section 6112 of the Probate Code is amended to read:

6112. (a) Any person generally competent to be a witness may act as a witness to a will.

(b) A will or any provision thereof is not invalid because the will is signed by an interested witness.

(c) Unless there are at least two other witnesses to the will who are disinterested witnesses, the fact that the will makes a devise to a witness creates a presumption that the witness procured the devise by duress, menace, fraud, or undue influence. This presumption is a presumption affecting the burden of proof. This presumption does not apply where the witness is a person to whom the devise is made solely in a fiduciary capacity.

(d) If a devise made by the will to an interested witness fails because the presumption established by subdivision (c) applies to the devise and the witness fails to rebut the presumption, the interested witness shall take such proportion of the devise made to the witness in the will as does not exceed the share of the estate which would be distributed to the witness if the will were not established. Nothing in this subdivision affects the law that applies where it is established that the witness procured a devise by duress, menace, fraud, or undue influence.

SEC. 5. Section 6403 of the Probate Code is amended to read:

6403. (a) A person who fails to survive the decedent by 120 hours is deemed to have predeceased the decedent for the purpose of intestate succession, and the heirs are determined accordingly. If it cannot be established by clear and convincing evidence that a person who would otherwise be an heir has survived the decedent by 120 hours, it is deemed that the person failed to survive for the required period. The requirement of this section that a person who survives the decedent must survive the decedent by 120 hours does not apply if the application of the 120-hour survival requirement would result in the escheat of property to the state.

(b) The amendment made to this section by the act that added this subdivision does not apply where any of the persons upon whose time of death the disposition of property depends died before January 1, 1990. Where the amendment does not apply, the case continues to be governed by the law applicable before January 1, 1990.

SEC. 6. Section 8401 of the Probate Code is amended to read:

8401. (a) Notwithstanding Section 8400, a petitioner for appointment as personal representative may deliver property in the petitioner's possession to a trust company or financial institution for deposit, or allow a trust company or financial institution to retain on deposit property already in its possession, as provided in Chapter 3 (commencing with Section 9700) of Part 5.

(b) The petitioner shall obtain and file with the court a written receipt including the agreement of the trust company or financial institution that the property on deposit, including any earnings thereon, shall not be allowed to be withdrawn except on order of the court.

(c) In receiving and retaining property under this section, the trust company or financial institution is protected to the same extent as though it had received the property from a person who had been appointed personal representative.

SEC. 7. Section 8406 of the Probate Code is amended to read:

8406. If an order appointing a personal representative is reversed on appeal for error, the person appointed is not liable for any otherwise proper act done in good faith before the reversal, nor is any transaction void by reason of the reversal if entered into with a third person dealing in good faith and for value.

SEC. 8. Section 8461 of the Probate Code is amended to read:

8461. Subject to the provisions of this article, a person in the following relation to the decedent is entitled to appointment as administrator in the following order of priority:

(a) Surviving spouse.
(b) Children.
(c) Grandchildren.
(d) Other issue.
(e) Parents.
(f) Brothers and sisters.
(g) Issue of brothers and sisters.

(h) Grandparents.
(i) Issue of grandparents.
(j) Children of a predeceased spouse.
(k) Other issue of a predeceased spouse.
(*l*) Other next of kin.
(m) Parents of a predeceased spouse.
(n) Issue of parents of a predeceased spouse.
(o) Conservator or guardian of the estate acting in that capacity at the time of death.
(p) Public administrator.
(q) Creditors.
(r) Any other person.

SEC. 9. Section 8483 of the Probate Code is amended to read:

8483. (a) This section applies where property in the estate has been deposited pursuant to Chapter 3 (commencing with Section 9700) of Part 5 on condition that the property, including any earnings thereon, will not be withdrawn except on authorization of the court.

(b) In a proceeding to determine the amount of the bond of the personal representative (whether at the time of appointment or subsequently), on production of a receipt showing the deposit of property in the estate in the manner described in subdivision (a), the court may order that the property shall not be withdrawn except on authorization of the court and may, in its discretion, do either of the following:

(1) Exclude the property in determining the amount of the required bond or reduce the amount of the bond to an amount the court determines is reasonable.

(2) If a bond has already been given or the amount fixed, reduce the amount to an amount the court determines is reasonable.

SEC. 9.5. Section 9053 of the Probate Code is amended to read:

9053. (a) If the personal representative believes that notice to a particular creditor is or may be required by this chapter and gives notice based on that belief, the personal representative is not liable to any person for giving the notice, whether or not required by this chapter.

(b) If the personal representative fails to give notice required by this chapter, the personal representative is not liable to any person for the failure, unless a creditor establishes all of the following:

(1) The failure was in bad faith.

(2) Neither the creditor nor the attorney representing the creditor in the matter had actual knowledge of the administration of the estate before the court made an order for final distribution, and payment would have been made on the creditor's claim in the course of administration if the claim had been properly filed.

(3) Within 16 months after letters were first issued to a general personal representative, the creditor did both of the following:

(A) Filed a petition requesting that the court in which the estate was administered make an order determining the liability of the personal representative under this subdivision.

(B) At least 30 days before the hearing on the petition, caused notice of the hearing and a copy of the petition to be served on the personal representative in the manner provided in Chapter 4 (commencing with Section 413.10) of Title 5 of Part 2 of the Code of Civil Procedure.

(c) Nothing in this section affects the liability of the estate, if any, for the claim of a creditor, and the personal representative is not liable for the claim to the extent it is paid out of the estate.

(d) Nothing in this chapter imposes a duty on the personal representative to make a search for creditors of the decedent.

SEC. 10. Section 10160.5 is added to the Probate Code, to read:

10160.5. The estate is not liable to a broker under a contract for the sale of real property or for any fee, commission, or other compensation or expenses in connection with sale of the property in either of the following cases:

(a) Where the broker, directly or indirectly, is the purchaser of the property.

(b) Where the broker representing the purchaser to whom the sale is confirmed has any interest in the purchaser.

SEC. 11. Section 10162.3 of the Probate Code is amended to read:

10162.3. (a) This section applies if all of the following circumstances exist:

(1) There is no agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property.

(2) The bid returned to court for confirmation is made by a purchaser represented by an agent or broker.

(3) The court confirms the sale to that purchaser either on the bid returned to court for confirmation or on an increased bid made at the time of the hearing on the petition for confirmation.

(b) If all the circumstances described in subdivision (a) exist, the court shall allow the agent or broker who procured the purchaser to whom the sale is confirmed the compensation determined under Section 10161 on the full amount for which the sale is confirmed.

SEC. 12. Section 10162.5 of the Probate Code is amended to read:

10162.5. Where an agent or broker holds a contract under Section 10150 granting the exclusive right to sell the property, the court shall allow to the agent or broker holding the contract the compensation determined under Section 10161 on:

(a) The full amount for which the sale is confirmed in either of the following circumstances:

(1) The bid returned to the court for confirmation is made by a purchaser who is not represented by an agent or broker and the court confirms the sale to that purchaser on that bid.

(2) The bid returned to the court for confirmation is made by a purchaser who is represented by the agent or broker holding the contract and the court confirms the sale to that purchaser on an increased bid made at the time of the hearing on the petition for confirmation.

(b) The amount of the original bid if both of the following

circumstances exist:

(1) The bid returned to court for confirmation is made by a purchaser who is not represented by an agent or broker or who is represented by the agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property.

(2) The court confirms the sale on an increased bid, made at the time of the hearing on the petition for confirmation, to a purchaser who was not procured by a bona fide agent or broker.

SEC. 13. Section 10162.7 of the Probate Code is amended to read:

10162.7. (a) This section applies if all of the following circumstances exist:

(1) There is an agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property.

(2) The bid returned to court for confirmation is made by a purchaser procured by another agent or broker.

(3) The court confirms the sale to that purchaser either on the bid returned to court for confirmation or on an increased bid made at the time of the hearing on the petition for confirmation.

(b) If all the circumstances described in subdivision (a) exist, the court shall allow the compensation determined under Section 10161 on the full amount for which the sale is confirmed. The compensation allowed by the court shall be divided between the agent or broker holding the contract and the other agent or broker as is provided in any agreement between the agent or broker holding the contract and the other agent or broker. If there is no agreement, the compensation on the amount of the original bid returned to the court shall be divided equally between the agent or broker holding the contract and the other agent or broker and, if the sale is confirmed on an increased bid, the other agent or broker shall be paid all of the compensation on the difference between the orginal bid and the amount for which the sale is confirmed.

SEC. 14. Section 10163 of the Probate Code is amended to read:

10163. Subject to Section 10162, where the original bid returned to the court for confirmation was made by a purchaser who was not procured by an agent or broker, the court shall allow the compensation determined under Section 10161 on the full amount for which the sale is confirmed to the agent or broker who procured the purchaser to whom the sale is confirmed if either of the following conditions is satisfied:

(a) The court confirms a sale on an increased bid, made at the time of the hearing on the petition for confirmation, to a purchaser procured by an agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property.

(b) There is no agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property and the court confirms a sale on an increased bid, made at the time of the hearing on the petition for confirmation, to a purchaser procured by a bona fide agent or broker.

SEC. 15. Section 10165 of the Probate Code is amended to read:

10165. (a) Where the court confirms a sale on an increased bid, made at the time of the hearing on the petition for confirmation, to a purchaser procured by a bona fide agent or broker, the court shall allow the compensation determined under Section 10161 on the full amount for which the sale is confirmed, as provided in this section, if either of the following conditions is satisfied:

(1) The original bid returned to the court for confirmation was made by a purchaser who was procured by another agent or broker.

(2) The original bid returned to the court for confirmation was made by a purchaser who was not represented by an agent or broker, and another agent or broker holds a contract under Section 10150 granting the exclusive right to sell the property.

(b) The agent or broker who procured the purchaser to whom the sale is confirmed shall be paid one-half of the compensation on the amount of the original bid and all of the compensation on the difference between the original bid and the amount for which the sale is confirmed.

(c) The other one-half of the compensation on the amount of the original bid shall be paid as follows:

(1) If the original bid returned to the court is made by a purchaser who was procured by the agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property, the entire one-half of the compensation on the original bid shall be paid to that agent or broker.

(2) If the original bid returned to the court is made by a purchaser who was procured by a bona fide agent or broker and there is no agent or broker holding a contract under Section 10150 granting the exclusive right to sell the property, the entire one-half of the compensation on the original bid shall be paid to that agent or broker.

(3) If there is an agent or broker who holds a contract under Section 10150 granting the exclusive right to sell the property and the original bid returned to the court is made by a purchaser who was procured by another agent or broker, the one-half of the compensation on the amount of the original bid shall be divided between the agent or broker holding the contract granting the exclusive right to sell the property and the other agent or broker whose original bid was returned to the court for confirmation as is provided in any agreement between the agent or broker holding the contract and the other agent or broker. If there is no agreement, the one-half of the compensation on the amount of the original bid shall be divided equally between the agent or broker holding the contract and the other agent or broker whose original bid was returned to the court for confirmation.

(4) If there is an agent or broker who holds a contract under Section 10150 granting the exclusive right to sell the property, the original bid returned to the court is made by a purchaser who is not represented by an agent or broker, and the court confirms the sale on an increased bid, made at the time of the hearing on the petition

for confirmation, to a purchaser procured by another agent or broker, the entire one-half of the compensation on the original bid shall be paid to the agent or broker holding the contract.

(5) If the agent or broker compensated under subdivision (b) holds a contract under Section 10150 granting the exclusive right to sell the property, the entire one-half of the compensation on the original bid shall be paid to the other agent or broker who procured the original bid returned to the court.

SEC. 16. Section 10454 of the Probate Code is amended to read:

10454. (a) Any interested person may file a petition requesting that the court make either of the following orders:

(1) An order revoking the authority of the personal representative to continue administration of the estate under this part.

(2) An order revoking the full authority of the personal representative to administer the estate under this part and granting the personal representative limited authority to administer the estate under this part.

(b) The petition shall set forth the basis for the requested order.

(c) Notice of the hearing on the petition shall be given as provided in Section 1220. In addition, the personal representative shall be served with a copy of the petition and a notice of the time and place of the hearing at least 15 days prior to the hearing. Service on the personal representative shall be made in the manner provided in Section 415.10 or 415.30 of the Code of Civil Procedure or in such manner as may be authorized by the court.

(d) If the court determines that good cause has been shown, the court shall make an order revoking the authority of the personal representative to continue administration of the estate under this part. Upon the making of the order, new letters shall be issued without the notation described in subdivision (c) of Section 8405.

(e) If the personal representative was granted full authority and the court determines that good cause has been shown, the court shall make an order revoking the full authority and granting the personal representative limited authority. Upon the making of the order, new letters shall be issued with the notation described in subdivision (c) of Section 8405 that is required where the authority granted is limited authority.

SEC. 17. Section 11006 of the Probate Code is repealed.

SEC. 18. Section 20114.5 of the Probate Code is amended to read:

20114.5. (a) As used in this section:

(1) A reference to Section 4980A of the Internal Revenue Code means Section 4981A as enacted by Section 1133(a) of the Tax Reform Act of 1986 (Public Law 99-514), renumbered as Section 4980A by Section 1011A of Public Law 100-647 of 1988, or as subsequently amended.

(2) "Excess retirement accumulation" has the meaning given it in Section 4980A(d)(3) of the Internal Revenue Code.

(b) If the federal estate tax is increased under Section 4980A(d)

of the Internal Revenue Code, the amount of the increase shall be a charge against the persons who receive the excess retirement accumulation that gives rise to the increase, and shall be equitably prorated among all persons who receive interests in qualified employer plans and individual retirement plans to which the excess retirement accumulation is attributable.

SEC. 19. Part 3 (commencing with Section 21300) is added to Division 11 of the Probate Code, to read:

PART 3. NO CONTEST CLAUSE

21300. As used in this part:

(a) "Contest" means an attack in a proceeding on an instrument or on a provision in an instrument.

(b) "No contest clause" means a provision in an otherwise valid instrument that, if enforced, would penalize a beneficiary if the beneficiary brings a contest.

21301. This part is not intended as a complete codification of the law governing enforcement of a no contest clause. The common law governs enforcement of a no contest clause to the extent this part does not apply.

21302. This part applies notwithstanding a contrary provision in the instrument.

21303. Except to the extent otherwise provided in this part, a no contest clause is enforceable against a beneficiary who brings a contest within the terms of the no contest clause.

21304. In determining the intent of the transferor, a no contest clause shall be strictly construed.

21305. (a) A beneficiary may apply to the court for a determination whether a particular motion, petition, or other act by the beneficiary would be a contest within the terms of a no contest clause.

(b) A no contest clause is not enforceable against a beneficiary to the extent an application under subdivision (a) by the beneficiary is limited to the procedure and purpose described in subdivision (a) and does not require a determination of the merits of the motion, petition, or other act by the beneficiary.

(c) A determination of whether Section 21306 or 21307 would apply in a particular case may not be made under this section.

21306. A no contest clause is not enforceable against a beneficiary to the extent the beneficiary, with probable cause, brings a contest that is limited to either or both of the following grounds:

(a) Forgery.

(b) Revocation.

21307. A no contest clause is not enforceable against a beneficiary to the extent the beneficiary, with probable cause, contests a provision that benefits any of the following persons:

(a) A person who drafted or transcribed the instrument.

(b) A person who gave directions to the drafter of the instrument

concerning dispositive or other substantive contents of the provision or who directed the drafter to include the no contest clause in the instrument, but this subdivision does not apply if the transferor affirmatively instructed the drafter to include the contents of the provision or the no contest clause.

(c) A person who acted as a witness to the instrument.

CHAPTER 545

An act to add Section 33320.5 to, the Health and Safety Code, relating to redevelopment.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 33320.5 is added to the Health and Safety Code, to read:

33320.5. (a) Notwithstanding Section 33320.1, the requirement that privately owned land within a project area be "predominantly urbanized," as that term is defined in subdivision (b) of Section 33320.1, shall not apply to privately owned land within a project area, if the privately owned land is adjacent or in proximity to a military facility or installation which is proposed to be closed pursuant to Public Law 100-526 and the inclusion of the privately owned land is found by an entity formed pursuant to subdivision (b) to be necessary for the effective redevelopment of the military facility or installation and the adjacent area.

(b) The legislative bodies for communities having territory within, adjacent to or in proximity to a military facility or installation described in subdivision (a) may create a separate joint powers agency pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, which shall have and exclusively exercise powers of an agency in furtherance of the redevelopment of a project area approved by the joint powers agency. In addition to the powers of an agency, the joint powers agency so formed shall also act as the legislative body and planning commission for all approvals and actions required by this part of legislative bodies and planning commissions for the adoption and implementation of a redevelopment plan. However, all land use, planning, and development decisions with regard to the land within the project area shall continue to be under the control and jurisdiction of each of the respective local legislative bodies or planning commissions, as applicable.

(c) The territory included within the project and project area may be contiguous or noncontiguous, and any project area may be located in whole or in part within one or more of the communities

impacted by the closure of the military facility or installation, and the land to be included within the project area within the community or communities in proximity to the military facility or installation shall be found necessary for the effective redevelopment of the military facility or installation and the adjacent area. A project area shall not include territory outside the jurisdiction of the communities that are parties to the joint powers agency without the consent of the legislative body having jurisdiction over the territory proposed to be included within the project area.

(d) A redevelopment plan for the project area shall contain all of the provisions required by this part. However, if the agency finds, based on substantial evidence on the record, that compliance with the requirements of Sections 33333.2 and 33334.1 would make it impracticable to achieve the policies of this section, the agency may eliminate or modify the requirements of Sections 33333.2 and 33334.1.

(e) The redevelopment plan shall provide for either of the following:

(1) A Low- and Moderate-Income Housing Fund, as required by Section 33334.2

(2) A deferral for depositing all or part of the 20 percent of taxes allocated to the agency pursuant to Section 33670 in the Low- and Moderate-Income Housing Fund if the agency, after conducting a noticed public hearing, makes, and the executive committee of the Southern California Association of Governments reviews and approves, findings supported by substantial evidence that all of the following apply:

(A) The military facility or installation cannot be acquired or developed by private enterprise without the assistance of the agency.

(B) There are no feasible alternative means of financing the acquisition or development of the military facility or installation other than by utilizing the low- and moderate-income housing portion of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670.

(C) Failure of the agency to finance the acquisition or development of the military facility or installation would lead to serious economic hardship and job loss.

(D) The redevelopment plan shall specify the period during which less than 20 percent of the taxes which are allocated to the agency pursuant to subdivision (b) of Section 33670, is to be deposited in the Low- and Moderate-Income Housing Fund. The redevelopment plan shall also contain a repayment plan which specifies a date at which time the agency will have made up the deficit created by the deferral, including repayment of the interest at the highest rate received by the agency on funds it deposits during the period of deferral. The repayment plan shall reduce the deficit in the shortest feasible time consistent with the needs of the agency, as specified in the agency's findings.

(f) The joint powers agency acting as the agency, the legislative

body or the planning commission, shall follow all procedures under this part applicable to the adoption and amendment of redevelopment plans, except with respect to Sections 33347.5, 33353 to 33353.6, inclusive, Sections 33354.4 to 33354.6, inclusive, and Section 33385.

(g) The agency shall create a fiscal advisory group to consult with each affected taxing agency and to advise and report to the agency in the manner required of a fiscal review committee by Section 33353.5 on any potential fiscal impact upon affected taxing agencies within the project area. The fiscal advisory group shall consist of the financial officer or treasurer of each city and each county which created the joint powers authority.

(h) The agency shall prepare and distribute to each affected taxing agency a report which includes the information required by Section 33328. The agency shall also prepare an analysis of the report required of a fiscal review committee pursuant to subdivision (m) of Section 33352 and an analysis of the report required of the fiscal advisory group pursuant to subdivision (g).

(i) As used in this section, "in proximity to" means within three miles of the boundary of Norton Air Force Base and within eight miles of George Air Force Base.

(j) The Legislature finds and declares that the closure of two or more military facilities or installations within the County of San Bernardino will cause serious economic hardship in that county, including loss of jobs, increased unemployment, deterioration of properties and land utilization and undue disruption of the lives and activities of the people. Therefore, the Legislature finds and declares that to avoid serious economic hardship and accompanying blight, it is necessary to enact this act which shall apply only within the County of San Bernardino. In enacting this act, it is the policy of the Legislature to assist communities within the County of San Bernardino in their attempt to preserve the military facilities and installations for their continued use as airports and aviation-related purposes.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances faced by the County of San Bernardino. The County of San Bernardino is the county in California in which two military facilities or installations are preposed to be closed pursuant to Public Law 100-526.

CHAPTER 546

An act to amend Section 825 of the Penal Code, relating to prisoners.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 825 of the Penal Code is amended to read:

825. (a) (1) Except as provided in paragraph (2), the defendant must in all cases be taken before the magistrate without unnecessary delay, and, in any event, within two days after his or her arrest, excluding Sundays and holidays; provided, however, that when the two days prescribed herein expire at a time when the court in which the magistrate is sitting is not in session, such time shall be extended to include the duration of the next regular court session on the judicial day immediately following.

(2) Commencing on January 1, 1990, and continuing through January 1, 1992, whenever the defendant is incarcerated in the California State Prison at Folsom, the applicable time limitation under paragraph (1) shall be seven days.

(b) After the arrest, any attorney at law entitled to practice in the courts of record of California, may, at the request of the prisoner or any relative of the prisoner, visit the person so arrested. Any officer having charge of the prisoner so arrested who willfully refuses or neglects to allow that attorney to visit a prisoner is guilty of a misdemeanor. Any officer having a prisoner in charge, who refuses to allow the attorney to visit the prisoner when proper application is made therefor, shall forfeit and pay to the party aggrieved the sum of five hundred dollars ($500), to be recovered by action in any court of competent jurisdiction.

CHAPTER 547

An act to amend Section 6731 of the Business and Professions Code, relating to engineering.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6731 of the Business and Professions Code is amended to read:

6731. Civil engineering embraces the following studies or activities in connection with fixed works for irrigation, drainage,

waterpower, water supply, flood control, inland waterways, harbors, municipal improvements, railroads, highways, tunnels, airports and airways, purification of water, sewerage, refuse disposal, foundations, grading, framed and homogeneous structures, buildings, or bridges:

(a) The economics of, the use and design of, materials of construction and the determination of their physical qualities.

(b) The supervision of the construction of engineering structures.

(c) The investigation of the laws, phenomena and forces of nature.

(d) Appraisals or valuations.

(e) The preparation or submission of designs, plans and specifications and engineering reports.

(f) Coordination of the work of professional, technical, or special consultants.

Civil engineering also includes city and regional planning insofar as any of the above features are concerned therein.

Civil engineers registered prior to January 1, 1982, shall be authorized to practice all land surveying as defined in Chapter 15 (commencing with Section 8700) of Division 3.

SEC. 2. The amendment to Section 6731 of the Business and Professions Code made by this act is declaratory of existing law and is not intended to restrict the scope of practice of licensed land surveyors.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 548

An act to add Sections 22754.4, 22810.1, 22810.2, and 22827.5 to the Government Code, relating to the Public Employees' Medical and Hospital Care Act, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 22754.4 is added to the Government Code, to read:

22754.4. As used in this part, "complementary annuitant premium" means the additional premium paid by annuitants whose allowances fall below the premium required to maintain their chosen health benefits plan.

SEC. 2. Section 22810.1 is added to the Government Code, to read:

22810.1. Any annuitant whose retirement allowance is not sufficient to pay his or her contributions for the plan in which he or she is enrolled may retain his or her plan coverage if the annuitant, commencing on or after the effective date of this section, pays to the board the balance of the contributions plus the related administrative costs, as determined by the board.

The annuitant shall pay the complementary annuitant premium by remitting to the board quarterly payments in advance. In the event payments are not received by the board by the 10th of the month for the following month, coverage shall be terminated and shall not be resumed until the next open enrollment period.

Upon receipt of a written application pursuant to this section, the benefits provided by this section shall commence with the first day of the month following receipt of the application and payment as required by the board.

The board has no duty to identify, locate, or notify any annuitant who may be eligible for the benefit provided by this section.

SEC. 3. Section 22810.2 is added to the Government Code, to read:

22810.2. (a) Due to the required administrative services necessary for the implementation of Section 22810.1, the Public Employees' Retirement System is authorized to administratively establish the necessary limited-term positions through the normal budgetary process for the 1990–91 fiscal year. Permanent positions shall also be sought through the normal budgetary process.

(b) There is hereby appropriated from the Public Employees' Contingency Reserve Fund to the Public Employees' Retirement System: for the 1989–90 fiscal year, the sum of seventy-five thousand dollars ($75,000), for salary and benefits, equipment, and other operating costs.

(c) The board shall charge each annuitant who elects to receive the benefits as provided by Section 22810.1 a one-time setup charge and a monthly maintenance charge, in amounts sufficient to ensure the ongoing support of the program.

SEC. 4. Section 22827.5 is added to the Government Code, to read:

22827.5. The Public Employees' Annuitant Premium Account is hereby created and established within the Public Employees' Contingency Reserve Fund. All moneys received pursuant to Sections 22810.1 and 22810.2 shall be deposited in the fund. The moneys in the fund are, notwithstanding Section 13340, continuously appropriated to the board, without regard to fiscal years, for payment of the complementary annuitant premiums.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that health benefits may be maintained for certain annuitants under the Public Employees' Medical and Hospital Care Act, it is necessary that this act take effect immediately.

CHAPTER 549

An act to amend Section 7541 of, and to add Section 7541.1 to, the Business and Professions Code, relating to private investigators.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 7541 of the Business and Professions Code is amended to read:

7541. Except as otherwise provided by this section, an applicant, or his or her manager, for a license as a private investigator shall have had at least three years' experience in investigation work.

A year's experience shall consist of not less than 2,000 hours of actual compensated work performed by each applicant preceding the filing of an application.

An applicant who holds a law degree or who has completed a four-year course in police science, criminal justice, criminal law, or the equivalent thereof shall be required to have had two years' experience in investigation work.

An applicant shall substantiate the claimed years of qualifying experience and the exact details as to the character and nature thereof by written certifications from the employer, subject to independent verification by the director as he or she may determine.

Notwithstanding any other provision of law, only an employer or his or her designated agent may certify experience for purposes of this section. For purposes of this section, the term "employer" shall mean only those persons, corporations, partnerships, proprietorships, or other associations which, in the employ of the designated individual, regularly and routinely withheld income taxes and other payroll deductions for direct forwarding to governmental taxing authorities.

An employer who is a licensee shall respond in writing within 30 days to an applicant's written request for certifications of the applicant's work experience as an employee and either provide the certifications or the reasons for denial. If the applicant notifies the director in writing, under penalty of perjury, that the applicant is unable to obtain the required written response from a licensee or

provides the licensee's written denial and states, under penalty of perjury, that the licensee's reasons for denial are invalid or insufficient and the director concurs, the director may require the licensee to provide the bureau with all relevant employment records maintained pursuant to Section 7531.5 regarding the applicant for evaluation in substantiating the applicant's employment experience.

SEC. 2. Section 7541.1 is added to the Business and Professions Code, to read:

7541.1. (a) Notwithstanding any other provision of law, experience for purposes of taking the examination for licensure as a private investigator shall be limited to those activities actually performed in connection with investigations, as defined in subdivision (a) of Section 7521, and only if those activities are performed by persons who are employed in the following capacities:

(1) Sworn law enforcement officers possessing powers of arrest and employed by agencies in the federal, state, or local government.

(2) Military police of the armed forces of the United States or the national guard.

(3) An insurance adjuster or their emloyees subject to Chapter 1 (commencing with Section 14000) of Division 5 of the Insurance Code.

(4) Persons employed by a private investigator who are duly licensed in accordance with this chapter.

(5) Persons employed by collection agencies duly licensed in accordance with Chapter 8 (commencing with Section 6850), and persons employed by repossessors duly licensed in accordance with Chapter 11 (commencing with Section 7500), only to the extent that those persons are routinely and regularly engaged in the location of debtors or the location of personal property utilizing methods commonly known as "skip tracing." For purposes of this section, only that experience acquired in that skip tracing shall be credited toward qualification to take the examination.

(6) Persons duly trained and certified as an arson investigator and employed by a public agency engaged in fire suppression.

(b) For purposes of Section 7541, persons possessing an associate of arts degree in police science, criminal law or justice from an accredited college shall be credited with 1,000 hours of experience in investigative activities.

(c) The following activities shall not be deemed to constitute acts of investigation for purposes of experience toward licensure:

(1) The serving of legal process or other documents.

(2) Activities relating to the search for heirs or similar searches which involve only a search of public records or other reference sources in the public domain.

(3) The transportation or custodial attendance of persons in the physical custody of a law enforcement agency.

(4) The provision of bailiff or other security services to a court of law.

(5) The collection or attempted collection of debts by telephone

or written solicitation after the debtor has been located.

(6) The repossession or attempted repossession of personal property after that property has been located and identified.

(d) Where the activities of employment of an applicant include those which qualify as bona fide experience as stated in this section as well as those which do not qualify, the director may, by delegation to the bureau, determine and apportion that percentage of experience for which any applicant is entitled to credit.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 550

An act to amend Section 17511.1 of the Business and Professions Code, relating to sales.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 17511.1 of the Business and Professions Code is amended to read:

17511.1. As used in this article, "telephonic seller" or "seller" means a person who, on his or her own behalf or through salespersons or through the use of an automatic dialing-announcing device, as defined in Section 2871 of the Public Utilities Code, causes a telephone solicitation or attempted telephone solicitation to occur which meets the criteria specified in subdivision (a), (b), or (c) and who is not exempted by subdivision (d), as follows:

(a) A telephone solicitation or attempted telephone solicitation wherein the telephonic seller initiates telephonic contact with a prospective purchaser and represents or implies one or more of the following:

(1) That a prospective purchaser who buys one or more items will also receive additional or other items, whether or not of the same type as purchased, without further cost. For purposes of this subdivision, "further cost" does not include actual postage or common carrier delivery charges, if any.

(2) That a prospective purchaser will receive a prize or gift, if the

person also encourages the prospective purchaser to do either of the following:

(A) Purchase or rent any goods or services.

(B) Pay any money, including, but not limited to, a delivery or handling charge.

(3) That a prospective purchaser is able to obtain any item or service at a price which the seller states or implies is below the regular price of the item or service offered. This paragraph shall not apply to retailers who, within the previous 12 months, have sold a majority of their goods or services through in-person sales at retail stores.

(4) That a prospective purchaser who buys office equipment or supplies will, because of some unusual event or imminent price increase, be able to buy these items at prices which are below those that are usually charged or will be charged for the items.

(5) That the seller is a person other than the person he or she is.

(6) That the items for sale are manufactured or supplied by a person other than the actual manufacturer or supplier.

(7) That the seller is offering to sell the prospective purchaser any gold, silver, or other metals, including coins, diamonds, rubies, sapphires, or other stones, coal or other minerals, or any interest in oil, gas, or mineral fields, wells, or exploration sites, or any other investment opportunity of any type whatsoever.

(b) A solicitation or attempted solicitation which is made by telephone in response to inquiries generated by unrequested notifications sent by the seller to persons who have not previously purchased goods or services from the seller or who have not previously requested credit from the seller, to a prospective purchaser wherein the seller represents or implies to the recipient of the notification that any of the following applies to the recipient.

(1) That the recipient has in any manner been specially selected to receive the notification or the offer contained in the notification.

(2) That the recipient will receive a prize or gift if the recipient calls the seller.

(3) That if the recipient buys one or more items from the seller, the recipient will also receive additional or other items, whether or not of the same type as purchased, without further cost or at a cost which the seller states or implies is less than the regular price of such items.

However, this subdivision does not apply to the solicitation of sales by a catalog seller who periodically issues and delivers catalogs to potential purchasers by mail or by other means. This exception only applies if the catalog includes a written description or illustration and the sales price of each item of merchandise offered for sale, includes at least 24 full pages of written material or illustrations, is distributed in more than one state, and has an annual circulation of not less than 250,000 customers.

(c) A solicitation or attempted solicitation which is made by telephone in response to inquiries generated by advertisements on

behalf of the telephonic seller wherein it is represented or implied that the seller is offering to sell to the prospective purchaser any gold, silver, or other metals, including coins, diamonds, rubies, sapphires, or other stones, coal or other minerals, or any interest in oil, gas, or mineral fields, wells, or exploration sites, or any other investment opportunity of any type whatsoever.

(d) For purposes of this article, "telephonic seller" or "seller" does not include any of the following:

(1) A person offering or selling a security qualified under Section 25110, 25120, or 25130 of the Corporations Code or exempt from qualification under Chapter 1 (commencing with Section 25100) of Part 2 of Division 1 of Title 4 of the Corporations Code. The fact that a notice claiming an exemption under the Corporate Securities Law of 1968 is filed with the Department of Corporations does not create an exemption under this paragraph.

(2) A person licensed pursuant to Part 1 (commencing with Section 10000) of Division 4, when the solicited transaction is governed by that law.

(3) A person licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3, when the solicited transaction is governed by that law.

(4) A person licensed or certificated pursuant to Part 2 (commencing with Section 680) of Division 1 of the Insurance Code, including a person licensed pursuant to Chapter 5 (commencing with Section 1621) thereof, when the solicited transaction is governed by that law.

(5) A person offering or selling a franchise registered pursuant to Section 31110 of the Corporations Code or exempt from registration under Chapter 1 (commencing with Section 31100) of Part 2 of Division 5 of Title 4 of the Corporations Code. The fact that a notice claiming an exemption under the Franchise Investment Law is filed with the Department of Corporations does not create an exemption under this paragraph.

(6) A person soliciting the sale of a seller assisted marketing plan, as defined in Title 2.7 (commencing with Section 1812.200) of Part 4 of Division 3 of the Civil Code, who has filed with the Secretary of State the documents required by Section 1812.203 of the Civil Code.

(7) A person primarily soliciting the sale of a newspaper of general circulation, as defined in Article 1 (commencing with Section 6000) of Chapter 1 of Division 7 of Title 1 of the Government Code, a magazine, or membership in a book or record club whose program operates in conformity with the requirements of Section 1584.5 of the Civil Code.

(8) A person soliciting business from prospective purchasers who have previously purchased from the business enterprise for which the person is calling.

(9) A person soliciting without the intent to complete and who does not complete the sales presentation during the telephone solicitation but completes the sales presentation at a later face-to-face

meeting between the solicitor and the prospective purchaser. However, if a seller, directly following a telephone solicitation, causes an individual whose primary purpose it is to go to the prospective purchaser to collect the payment or deliver any item purchased, this exemption does not apply.

(10) Any supervised financial institution or parent, subsidiary, or affiliate thereof. As used in this paragraph, "supervised financial institution" means any commercial bank, trust company, savings and loan association, credit union, industrial loan company, personal property broker, consumer finance lender, commercial finance lender, or insurer, provided that the institution is subject to supervision by an official or agency of this state or of the United States.

(11) A person soliciting the sale of a preneed funeral arrangement regulated by Article 9 (commencing with Section 7735) of Chapter 12 of Division 3.

(12) A person licensed pursuant to Chapter 19 (commencing with Section 9600) of Division 3 when acting pursuant to that licensure.

(13) A person soliciting the sale of services provided by a cable television system licensed or franchised pursuant to Section 53066 of the Government Code or any other authority.

(14) A person or an affiliate of a person whose business is regulated by the Public Utilities Commission.

(15) A person soliciting the sale of a commodity pursuant to Part 2 (commencing with Section 58601) of Division 21 of the Food and Agricultural Code, if the solicitation neither intends to, nor actually results in, a sale which costs the purchaser in excess of one hundred dollars ($100).

(16) An issuer or subsidiary of an issuer that has a class of securities which is subject to Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. Sec. 78*l*) and which is either registered or exempt from registration under paragraph (A), (B), (C), (E), (F), (G), or (H) of subsection (g) (2) of that section.

(17) A person soliciting exclusively the sale of telephone answering services to be provided by that person or that person's employer.

(18) A person soliciting a transaction regulated by the Commodity Futures Trading Commission if the person is registered or temporarily licensed for this activity with the Commodity Futures Trading Commission under the Commodity Exchange Act, (7 U.S.C. Sec. 1 et seq.) and the registration or license has not expired or been suspended or revoked.

(19) A person who sells coins or bullion at a price which is not more than 25 percent more than the price at which the seller is concurrently buying the same coins or bullion, if: (A) the seller has had a retail location in California from which he or she has been selling coins or bullion to the public in person for at least three years; (B) the telephonic solicitations are not the person's primary business and sales made telephonically make up less than 20 percent of the

person's total retail sales; and (C) the person claiming an exemption pursuant to this subdivision complies with Section 17511.3, as applicable, and subdivision (p) of Section 17511.4.

(20) A person licensed pursuant to Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code to receive money for transmittal to foreign countries if the license has not expired or been suspended or revoked.

(e) In any civil proceeding alleging a violation of this article, the burden of proving an exemption or an exception from a definition is upon the person claiming it, and in any criminal proceeding alleging a violation of this article, the burden of producing evidence to support a defense based upon an exemption or an exception from a definition is upon the person claiming it.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 551

An act relating to state financial assistance for the construction of waste water facilities.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding the provisions of any contract between the State Water Resources Control Board and the San Jacinto Mountain Area Water Study Agency, or any other provision of law, amounts owed by the San Jacinto Mountain Area Water Study Agency to the State Water Resources Control Board pursuant to loan contract No. 1-802-500-1 for payment of interest on the loan, which loan was made to assist in the construction of a Clean Water Grant Project to correct water quality problems caused by the use of subsurface disposal systems within the San Jacinto Mountain area, shall be considered a grant for the costs of necessary waste water facilities, and the San Jacinto Mountain Area Water Study Agency shall not be required to repay that amount, or any future interest owed on the loan, to the state. The principal payment on the unamortized portion of the loan need not commence until January

1, 1991.

SEC. 2. The Legislature hereby finds and declares that the provisions of this act are necessary because of special conditions existing within the San Jacinto Mountain Area Water Study Agency. The San Jacinto Mountain Area Water Study Agency is a joint powers agency consisting of three water districts which serve the communities of Idyllwild, Pine Cove, and Fern Valley, located in the San Jacinto Mountains in Riverside County. In 1976, the agency obtained a Step I Clean Water Grant through the State Water Resources Control Board for the planning of facilities to correct water quality problems resulting from the use of subsurface disposal systems in these mountain communities. Since 1976, the agency has diligently, and in good faith, pursued the implementation of a Clean Water Grant project for the area, and has contributed a total of about one million one hundred thousand dollars ($1,100,000) as the local share of the costs of the project, of which the amount of five hundred thousand dollars ($500,000) was secured by the agency through a loan from the state. The Environmental Protection Agency has participated in the review of this project throughout its history and has accepted and approved all plans and reports. The Environmental Protection Agency has now, despite its history of concurrence in the project, issued a notice of intent to terminate the grant project. The decision by the Environmental Protection Agency to terminate the grant project is not justified by the evidence and it unfairly imposes a severe and unreasonable burden on the San Jacinto Mountain Area Water Study Agency for repayment of the state loan. Termination of the grant project removes the mechanism by which repayment of that loan was to be achieved, and no other method of loan repayment is available to the agency or its member districts.

CHAPTER 552

An act to amend Section 5715 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 5715 of the Welfare and Institutions Code is amended to read:

5715. Expenditures subject to payment shall include expenditures for the items specified in Section 5401; negotiated amounts approved by the department pursuant to Section 5705.2; salaries of personnel; approved facilities and services provided through contract; operation, maintenance, and service costs including insurance costs or departmental charges for participation

in a county self-insurance program if the charges are not in excess of comparable available commercial insurance premiums and on the condition that any surplus reserves be used to reduce future year contributions; depreciation of county facilities as established in the state's uniform accounting manual, disregarding depreciation on the facility to the extent it was financed by state funds under this part; lease of facilities where there is no intention to, nor option to, purchase; expenses incurred under this act by members of the Conference of Local Mental Health Directors for attendance at regular meetings of these conferences; expenses incurred by either the chairperson or elected representative of the local mental health advisory boards for attendance at regular meetings of the organization of Mental Health Advisory Boards; expenditures included in approved countywide cost allocation plans submitted in accordance with the Controller's guidelines, including, but not limited to, adjustments of prior year estimated general county overhead to actual costs, but excluding allowable costs otherwise compensated by Short-Doyle Act funding; and other expenditures as may be approved by the Director of Mental Health. Except for expenditures made pursuant to Article 6 (commencing with Section 436.30) of Chapter 4 of Part 1 of Division 1 of the Health and Safety Code, it shall not include expenditures for initial capital improvements; the purchase or construction of buildings except for equipment items and remodeling expense as may be provided for in regulations of the State Department of Mental Health; compensation to members of a local mental health advisory board, except actual and necessary expenses incurred in the performance of official duties which may include travel, lodging, and meals while on official business; or expenditures for a purpose for which state reimbursement is claimed under any other provision of law.

CHAPTER 553

An act to amend Section 70059.8 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 70059.8 of the Government Code is amended to read:

70059.8. (a) Notwithstanding any other provision of law, including but not limited to Sections 70040, 70041, 70042, and 70045, the following provisions shall be applicable to the official court reporters in Solano County.

(b) Regular official court reporters shall report all criminal and civil proceedings in their respective courts; all juvenile proceedings, other than those heard by referees or traffic officers when official reporters are unavailable; grand jury proceedings, coroner's inquests, and proceedings before the county board of equalization. When not engaged in the performance of other duties imposed upon him or her by law, each reporter shall render such assistance as may be required in any other court of the county to which he or she may be assigned, and perform such other verbatim reporting services as may be required such as, but not limited to, public hearings and depositions. During hours in which the court is open for the transaction of judicial business, official reporters shall devote full time to the performance of regular duties and shall not engage in any other employment in their professional capacity.

(c) In Solano County the annual salary of each official court reporter shall be based on a regular five-step plan as established by joint action and approval of the board of supervisors and a majority of the judges of the court.

(d) For all transcripts incident to reporting services, each reporter shall receive the fees provided for in Article 9 (commencing with Section 69941) of this chapter. The initial hiring rate for each position shall be step 1, provided that the judges may appoint any such reporter at a higher initial step if, in the opinion of the majority of judges, an individual to be appointed has such experience and qualifications as to entitle him or her to such higher initial step.

(e) A regular official court reporter shall serve at the pleasure of the appointing judge, but shall be entitled to the same benefits and privileges respecting longevity, service credits, cost-of-living or other general pay increases, retirement, vacation, sick leave and group insurance which are provided other employees of the county. Court reporters shall be entitled to any increases provided other employees of the county respecting longevity, service credits, cost-of-living or general pay increases, retirement, vacation, sick leave and group insurance, but such increases shall be on an interim basis and remain in effect only until January 1, 1990, unless ratified by statute by the Legislature prior to that date.

(f) Judges of the court may appoint as many official reporters pro tempore as the business of the court requires. They shall be unsalaried but shall receive the fees provided by Article 9 of this chapter, which fees, upon order of the court, shall be a proper charge against the general fund of the county.

(g) (1) A reporter's filing fee of sixteen dollars ($16) shall be paid in actions and proceedings as specified in Section 68090.5 in the Solano County Superior Court.

(2) In addition to any fee otherwise required in civil cases, a fee per day equal to the per diem rate for official reporters pro tempore shall be charged to the parties for the services of an official reporter for the first and each successive day a reporter is required.

(3) In addition to any fee otherwise required in a civil case in

which the court orders a daily transcript necessitating the services of two phonographic reporters, the party requesting the daily transcript shall pay a fee per day equal to the per diem rate for official reporters pro tempore for the services of the second reporter for the first and each successive day.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the programs specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to insure that regular official court reporters receive an annual salary based on a five-step plan and a rate of pay equivalent to the per diem rate for official reporters pro tempore for the first and each successive day that a reporter is required in a civil case, it is necessary that this act take effect immediately.

CHAPTER 554

An act to amend Sections 22511.5, 22511.7, and 22511.8 of, to add Sections 295.5 and 295.7 to, and to repeal Section 22511.9 of, the Vehicle Code, relating to vehicles.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 295.5 is added to the Vehicle Code, to read:

295.5. A "disabled person" is any of the following:

(a) Any person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, or who has a diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistant device.

(b) Any person who is blind to the extent that the person's central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees.

(c) Any person who suffers from lung disease to the extent of any of the following:

(1) The person's forced (respiratory) expiratory volume for one second when measured by spirometry is less than one liter.

(2) The person's arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air while the person is at rest.

(d) Any person who is impaired by cardiovascular disease to the extent that the person's functional limitations are classified in severity as class III or class IV based upon standards accepted by the American Heart Association.

SEC. 2. Section 295.7 is added to the Vehicle Code, to read:

295.7. A "disabled veteran" is any person who, as a result of injury or disease suffered while on active service with the armed forces of the United States, suffers any of the following:

(a) Has a disability which has been rated at 100 percent by the Department of Veterans Affairs or the military service from which the veteran was discharged, due to a diagnosed disease or disorder which substantially impairs or interferes with mobility.

(b) Is so severely disabled as to be unable to move without the aid of an assistant device.

(c) Has lost, or has lost use of, one or more limbs.

(d) Has suffered permanent blindness, as defined in Section 19153 of the Welfare and Institutions Code.

SEC. 3. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) (1) Any disabled person or disabled veteran shall be allowed to park for unlimited periods in any of the following zones:

(A) In any restricted zone described in subdivision (e) of Section 21458 or on streets upon which preferential parking privileges and height limits have been given pursuant to Section 22507.

(B) In any parking zone that is restricted as to the length of time parking is permitted as indicated by a sign erected pursuant to a local ordinance.

(2) Any disabled person or disabled veteran shall be allowed to park in any metered parking space without being required to pay any parking meter fees.

(3) This subdivision does not apply to any zone for which state law or ordinance absolutely prohibits stopping, parking, or standing of all vehicles, or which the law or ordinance reserves for special types of vehicles.

(b) As a condition to this privilege, the parked vehicle shall display a distinguishing license plate which shall be issued for the vehicle registered to the disabled person or disabled veteran, or for a vehicle not registered to the disabled person or disabled veteran, but which is used primarily to transport a disabled person or disabled veteran, and which would otherwise qualify for a distinguishing license plate if the vehicle were registered to the disabled person or disabled veteran.

The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures

adopted by the department.

(c) (1) Any disabled person or disabled veteran may also apply to the Department of Motor Vehicles for the issuance of a distinguishing placard. The placard may be used in lieu of the distinguishing license plate for parking purposes described in subdivision (a) when displayed on the dashboard of a vehicle. It is the intent of the Legislature to hereby encourage the use of these distinguishing placards because they provide law enforcement officers with a more readily recognizable symbol for distinguishing vehicles qualified for the parking privilege. The placard shall be the size and color determined by the Department of Motor Vehicles.

(2) The Department of Motor Vehicles may establish procedures for the issuance and renewal of the placards. The placards shall have a fixed expiration date of June 30 every two years. Whenever any application for a placard is submitted to the Department of Motor Vehicles on or after January 1 of the year of expiration, the fee shall be for the current and subsequent renewal period.

As used in this section, "year" means the period between the inclusive dates of July 1 through June 30.

(3) The fee for an original application or renewal application shall be six dollars ($6).

(4) Except as provided in paragraph (5), no person is eligible for more than one placard at any time.

(5) Organizations and agencies involved in the transportation of disabled persons or disabled veterans may apply for a placard for each vehicle used for the purpose of transporting disabled persons or disabled veterans.

(d) Prior to issuing any disabled person or disabled veteran a distinguishing license plate or placard, the Department of Motor Vehicles may require the applicant to submit a certificate signed by the physician or surgeon substantiating the disability. The disability of any person who has lost, or has lost use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, may also be certified by a licensed chiropractor. The blindness of any applicant shall be certified by a licensed physician or surgeon who specializes in diseases of the eye or a licensed optometrist.

(e) Any person who is temporarily disabled for a period of less than one year may apply for a placard as prescribed in subdivision (c).

(f) Any disabled person or disabled veteran shall be allowed to park a vehicle displaying a distinguishing disabled person license plate or placard issued by a foreign jurisdiction with the same parking privileges authorized in this code for any vehicle displaying a distinguishing license plate or placard issued by the Department of Motor Vehicles.

(g) The distinguishing license plate or placard shall, upon the death of the disabled person or disabled veteran, be returned to the department within 60 days or upon the expiration of the vehicle

registration, whichever occurs first.

SEC. 4. Section 22511.7 of the Vehicle Code is amended to read:

22511.7. In addition to Section 22511.8 for offstreet parking, a local authority may, by ordinance or resolution, designate parking spaces for the exclusive use of any vehicle which displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5. Whenever a local authority so designates a parking space, it shall be indicated by blue paint on the curb or edge of the paved portion of the street adjacent to the space. In addition to blue paint, the space shall also be indicated by signs or other suitable means.

This section does not restrict the privilege granted to disabled persons and disabled veterans by Section 22511.5.

SEC. 5. Section 22511.8 of the Vehicle Code is amended to read:

22511.8. (a) Any local authority, by ordinance or resolution, and any person in lawful possession of an offstreet parking facility may designate stalls or spaces in an offstreet parking facility owned or operated by the local authority or person for the exclusive use of any vehicle which displays either a distinguishing license plate or a placard issued pursuant to Section 22511.5. The designation shall be made by posting a sign as described in paragraph (1), and by either of the markings described in paragraph (2) or (3):

(1) By posting immediately adjacent to, and visible from, each stall or space, a sign consisting of a profile view of a wheelchair with occupant in white on a blue background.

(2) By outlining or painting the stall or space in blue and outlining on the ground in the stall or space in white or suitable contrasting color a profile view depicting a wheelchair with occupant.

(3) By outlining a profile view of a wheelchair with occupant in white on a blue background, of the same dimensions as in paragraph (2). The profile view shall be located so that it is visible to a traffic enforcement officer when a vehicle is properly parked in the space.

(b) If posted in accordance with subdivision (d) or (e), the owner or person in lawful possession of a privately owned or operated offstreet parking facility, after notifying the police or sheriff's department, may cause the removal of a vehicle from a stall or space designated pursuant to subdivision (a) in the facility to the nearest public garage unless a distinguishing license plate or placard issued pursuant to Section 22511.5 is displayed on the vehicle.

(c) If posted in accordance with subdivision (d), the local authority owning or operating an offstreet parking facility, after notifying the police or sheriff's department, may cause the removal of a vehicle from a stall or space designated pursuant to subdivision (a) in the facility to the nearest public garage unless the a distinguishing license plate or placard issued pursuant to Section 22511.5 is displayed on the vehicle.

(d) The posting required for an offstreet parking facility owned or operated either privately or by a local authority shall consist of a sign not less than 17 by 22 inches in size with lettering not less than one inch in height which clearly and conspicuously states the

following: "Unauthorized vehicles not displaying distinguishing placards or license plates issued for physically handicapped persons will be towed away at owner's expense. Towed vehicles may be reclaimed at

_____ or by telephoning
(Address)

_____."
(Telephone number of local law enforcement agency)

The sign shall be posted in either of the following locations:

(1) Immediately adjacent to, and visible from, the stall or space.

(2) In a conspicuous place at each entrance to the offstreet parking facility.

(e) If the parking facility is privately owned and public parking is prohibited by the posting of a sign meeting the requirements of paragraph (1) of subdivision (a) of Section 22658, the requirements of subdivision (b) may be met by the posting of a sign immediately adjacent to, and visible from, each stall or space indicating that a vehicle not meeting the requirements of subdivision (a) will be removed at the owner's expense and containing the telephone number of the local traffic law enforcement agency.

(f) This section does not restrict the privilege granted to disabled persons and disabled veterans by Section 22511.5.

SEC. 6. Section 22511.9 of the Vehicle Code is repealed.

CHAPTER 555

An act to amend Sections 1250, 1251, 1252, 1253, 1254, 1255, 1256, 1258, and 1732 of the Welfare and Institutions Code, relating to youths.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1250 of the Welfare and Institutions Code is amended to read:

1250. There is hereby established an institution for the confinement of males under the custody of the Director of Corrections and the Youth Authority to be known as the Heman G. Stark Youth Training School.

SEC. 2. Section 1251 of the Welfare and Institutions Code is amended to read:

1251. The Heman G. Stark Youth Training School shall be an intermediate security type institution. Its primary purpose shall be to provide custody, care, industrial, vocational and other training, guidance and reformatory help for young men, too mature to be

benefited by the programs of correctional schools for juveniles and too immature in crime for confinement in prisons.

SEC. 3. Section 1252 of the Welfare and Institutions Code is amended to read:

1252. There may be transferred to and confined in the Heman G. Stark Youth Training School any male subject to the custody, control and discipline of the Youth Authority, whom the Youth Authority believes will be benefited by confinement in such an institution. Whenever by reason of any law governing the commitment of a person to the Youth Authority or to an institution under the jurisdiction of the Youth Authority such a person is deemed not to be a person convicted of a crime, the transfer or placement of such a person in the Heman G. Stark Youth Training School shall not affect the status or rights of the person and shall not be deemed to constitute a conviction of a crime.

SEC. 4. Section 1253 of the Welfare and Institutions Code is amended to read:

1253. The Youth Authority shall make rules and regulations for the government of the Heman G. Stark Youth Training School and the management of its affairs.

SEC. 5. Section 1254 of the Welfare and Institutions Code is amended to read:

1254. The Youth Authority shall appoint, subject to civil service, a superintendent for the Heman G. Stark Youth Training School, and such officers and employees as may be necessary, and shall fix their compensation.

SEC. 6. Section 1255 of the Welfare and Institutions Code is amended to read:

1255. The Youth Authority shall construct and equip, in accordance with law, suitable buildings, structures, and facilities for the Heman G. Stark Youth Training School.

SEC. 7. Section 1256 of the Welfare and Institutions Code is amended to read:

1256. The Youth Authority shall have the same powers, duties, and responsibilities in respect to the Heman G. Stark Youth Training School and the persons confined therein that the Youth Authority has in respect to institutions established for persons committed to the Youth Authority under Division 2.5 of this code and in respect to such persons, except that the Youth Authority shall have no power to parole, discharge, grant leave of absence to, or otherwise release from the Heman G. Stark Youth Training School any person under the custody of the Director of Corrections and transferred to and confined in the Heman G. Stark Youth Training School, or to transfer any such person from the Heman G. Stark Youth Training School to any other institution whatever, except to return him to the custody of the Director of Corrections.

Except as otherwise provided in this article, the provisions of Part 3 of the Penal Code continue to apply to all persons in the custody of the Director of Corrections who are transferred by the Adult

Authority to the Heman G. Stark Youth Training School, so far as such provisions may be applicable.

SEC. 8. Section 1258 of the Welfare and Institutions Code is amended to read:

1258. The Director of the Youth Authority, in connection with industrial training at the Heman G. Stark Youth Training School, Chino, California, may provide suitable materials and facilities for use by persons confined in the school in the construction of houses which can be moved which, upon their completion, shall be sold to the public upon competitive bids. Proceeds derived from the sale of any such house shall be deposited in the General Fund. Construction shall be limited to not more than one each calendar year and the size shall not exceed one thousand two hundred fifty (1,250) square feet.

SEC. 9. Section 1732 of the Welfare and Institutions Code is amended to read:

1732. No person convicted of violating Section 261, Section 264.1, subdivision (b) of Section 288, Section 289, or of sodomy or oral copulation by force, violence, duress, menace or threat of great bodily harm as provided in Section 286 or 288a of the Penal Code committed when that person was 18 years of age who has previously been convicted of any such felony shall be committed to the Youth Authority. This section does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

CHAPTER 556

An act to amend Section 23332 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 23332 of the Revenue and Taxation Code is amended to read:

23332. (a) Except in the case of a taxpayer subject to the provisions of Section 23222a, any taxpayer which is dissolved or withdraws from the state during any taxable year shall pay a tax only for the months of the taxable year which precede the effective date of such dissolution or withdrawal, according to or measured by (1) the net income of the preceding income year or (2) a percentage of net income determined by ascertaining the ratio which the months of the taxable year, preceding the effective date of dissolution or withdrawal, bears to the months of the income year, whichever is the lesser amount. As to financial corporations, the offset from the tax for

the months of such taxable year prior to the effective date of such dissolution or withdrawal shall not exceed that proportion of the offset computed under Sections 23184 to 23185b, inclusive, which the number of said months prior to the effective date of such dissolution or withdrawal bears to the number of months of the preceding income year. The taxes levied under this chapter shall not be subject to abatement or refund because of the cessation of business or corporate existence of any taxpayer pursuant to a reorganization, consolidation, or merger (as defined by Section 23251). In any event, each corporation shall pay a tax not subject to offset for such period in an amount equal to the minimum tax prescribed by Section 23153.

(b) The provisions of subdivision (a) shall be applied only with respect to taxpayers which dissolve or withdraw before January 1, 1973. On and after such date, the tax for the taxable year in which the taxpayer ceases doing business, dissolves or withdraws shall be determined under the appropriate provisions of Section 23151.1, 23181 or 23183, whichever is applicable. However, if all of the following conditions are satisfied, a minimum franchise tax shall not be imposed with respect to the taxable year in which the taxpayer ceases doing business, dissolves, or withdraws:

(1) The taxpayer does not do business in this state at any time during that taxable year.

(2) The taxpayer, pursuant to Section 23334, files a request for a tax clearance certificate at least 30 days before the beginning of that taxable year.

(3) The taxpayer, pursuant to Section 23334, satisfies all requirements pertaining to the issuance of the tax clearance certificate at least 30 days before the beginning of that taxable year.

(4) The taxpayer files a certificate of dissolution or withdrawal with the Secretary of State, in accordance with Section 23331, by the expiration date of the certificate of tax clearance issued by the Franchise Tax Board.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 557

An act to amend Section 2536 of the Fish and Game Code, relating to fish and game, and making an appropriation therefor.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 2536 of the Fish and Game Code is amended to read:

2536. (a) It is unlawful for any person to engage in the business

of guiding or packing, or to act as a guide for any consideration or compensation whatever, without first having secured a guide license from the department.

(b) An employee of a licensee who acts as a guide only in connection with, and within the scope of, his or her employment is exempt from the requirement of subdivision (a) if all of the following conditions are met:

(1) If the employment is subject to and the person is reported to the carrier of the employer's workers' compensation insurance.

(2) If the person is subject and reported to the state and federal taxing authorities for withholding of income tax.

(3) If the person is reported to the department, on forms provided by the department, as an employee of the guide prior to any contact with any person being guided, and a ten dollar ($10) registration fee has been paid.

(c) A person who is licensed in another state to provide guide services for the purposes of fishing is exempt from the requirements of subdivision (a) if all of the following conditions are met:

(1) The state in which the person is licensed grants a similar exemption to licensed guides who are residents of this state.

(2) Evidence of a valid guide license is provided to the department upon request.

(3) The person is engaged in the business of guiding only in conjuction with and during the term of a multistate fishing tournament approved by the appropriate agency in each of the affected states.

(4) The tournament sponsor provides to the department any information or documents necessary to administer and enforce this paragraph, as determined by the department, including, but not limited to, the identities of all guides participating in the tournament, verification of another state's license exemption, and information sufficient to determine the validity of another state's guide licenses.

(5) The tournament sponsor pays the department an amount, determined by the department, to be sufficient to cover the department's cost to administer and enforce this subdivision.

(6) The net proceeds of the tournament are used for resource management projects or habitat improvement projects, or both.

CHAPTER 558

An act to amend Sections 2353 and 8586.1 of the Fish and Game Code, relating to wildlife, and making an appropriation therefor.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 2353 of the Fish and Game Code is amended to read:

2353. (a) Notwithstanding any other provision of law, birds, mammals, fish, reptiles, or amphibia may be brought into this state and possessed if legally taken and legally possessed outside of this state and a declaration is submitted to the department or a designated state or federal agency at or immediately prior to the time of entry, in the form and manner prescribed by the department.

(b) Birds, mammals, fish, reptiles, or amphibia legally taken and legally possessed outside of this state may be imported into this state and possessed without a declaration if the shipment is handled by a common carrier under a bill of lading or as supplies carried into this state by common carriers for use as food for the passengers.

(c) The commission and the department shall not modify the provisions of this section by any regulation which would prohibit the importation of lawfully killed migratory game birds taken in any other state or country and transported into this state pursuant to the migratory bird regulations adopted annually by the Secretary of the Interior.

SEC. 2. Section 8586.1 of the Fish and Game Code is amended to read:

8586.1. A permit issued under this article shall only be issued to the owner or operator of a currently registered fishing vessel, who meets all of the following requirements:

(a) Has possessed a valid California commercial fishing license during each of the previous 10 years.

(b) Possesses a valid general gill net or trammel net permit authorized pursuant to Section 8681.

(c) Possesses and has installed a gill net with a mesh size not less than 14 inches when stretched and a reel capable of retrieving the net.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become

operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 559

An act to amend Sections 39608, 39610, 40914, 41503, and 43018 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 39608 of the Health and Safety Code is amended to read:

39608. (a) On or before September 30, 1989, the state board, in consultation with the districts, shall identify, pursuant to subdivision (e) of Section 39607, and classify each air basin which has attained and each air basin which has not attained any state ambient air quality standard. This identification and classification shall be made on a pollutant-by-pollutant basis. Where the state board finds that data is not sufficient to determine the attainment or nonattainment status for an air basin, the state board shall identify the air basin as unclassified.

(b) The state board may assign an attainment, nonattainment, or unclassified designation to one or more areas within any air basin unless the state board finds and determines that the pollutant for which the designation applies affects the entire region or is produced by emission sources throughout the region.

(c) Designations made by the state board shall be reviewed annually and updated as new information becomes available.

SEC. 2. Section 39610 of the Health and Safety Code is amended to read:

39610. (a) Not later than December 31, 1989, the state board shall identify each district in which transported air pollutants from upwind areas outside the district cause or contribute to a violation of the state ambient air quality standard for ozone and shall identify the district of origin of the transported pollutants, based upon the preponderance of available evidence. The state board shall identify and determine the priorities of information and studies needed to make a more accurate determination, including, but not limited to, emission inventories, pollutant characterization, ambient air monitoring, and air quality models.

(b) The state board shall, in cooperation with the districts, assess the relative contribution of upwind emissions to downwind ozone ambient pollutant levels to the extent permitted by available data, and shall establish mitigation requirements commensurate with the level of contribution.

(c) The state board shall make every reasonable effort to supply air pollutant transport information to heavily impacted districts prior to the development of plans to attain the state ambient air quality standards, shall consult with affected upwind and downwind districts, and shall adopt its findings at a public hearing.

(d) The state board shall review and update its transport analysis at least once every three years.

(e) The state board shall conduct appropriate studies to carry out its responsibilities under this section.

SEC. 3. Section 40914 of the Health and Safety Code is amended to read:

40914. (a) Each district plan shall be designed to achieve a reduction in districtwide emissions of 5 percent or more per year for each nonattainment pollutant or its precursors, averaged every consecutive three-year period, unless an alternative measure of progress is approved pursuant to Section 39607.

(b) A district may use an alternative emission reduction strategy which achieves less than an average of 5 percent per year reduction in districtwide emissions if the district demonstrates to the state board, and the state board concurs in, either of the following:

(1) That the alternative emission reduction strategy is equal to or more effective than districtwide emission reductions in improving air quality.

(2) That despite the inclusion of every feasible measure in the plan, and an expeditious adoption schedule, the district is unable to achieve at least a 5 percent annual reduction in districtwide emissions.

(c) For purposes of this section and Section 41503.1, reductions in emissions shall be calculated with respect to the actual level of emissions which exist in each district during 1987, as determined by the state board. All reductions in emissions occurring after December 31, 1987, including, but not limited to, reductions in emissions resulting from measures adopted prior to December 31, 1987, shall be included in this calculation.

SEC. 4. Section 41503 of the Health and Safety Code is amended to read:

41503. (a) Within 12 months of receiving each district's attainment plan developed pursuant to Section 40911, the state board shall determine whether the attainment date specified in the plan represents the earliest practicable date and whether the measures contained in the plan are sufficient to achieve and maintain state ambient air quality standards.

(b) The state board shall conduct its review to include the plans of every district in the air basin, and shall determine whether the combination of measures in all the plans is sufficient to achieve and maintain state ambient air quality standards throughout the air basin. The state board shall hold at least one public hearing in each affected air basin prior to reaching a final determination of the sufficiency of the plans. The state board shall require control measures for the same

emission sources to be uniform throughout the air basin to the maximum extent feasible, unless a district demonstrates to the satisfaction of the state board that adoption of the measure within its jurisdiction is not necessary to achieve or maintain the state ambient air quality standard.

(c) Where air pollutant transport is a factor, the state board shall determine whether the attainment plan is sufficient to satisfy the requirements of Section 40912.

(d) If a district is unable to specify an attainment date and the state board concurs that projecting an attainment date is not feasible, the state board shall determine whether the plan contains every feasible control strategy or measure to ensure progress toward attainment is maintained.

(e) In making determinations under subdivisions (a), (b), (c), and (d), the state board shall consider any emission reductions occurring in, or expected to occur in, the district or air basin.

SEC. 5. Section 43018 of the Health and Safety Code is amended to read:

43018. (a) The state board shall endeavor to achieve the maximum degree of emission reduction possible from vehicular and other mobile sources in order to accomplish the attainment of the state standards at the earliest practicable date.

(b) Not later than January 1, 1992, the state board shall take whatever actions are necessary, cost-effective, and technologically feasible in order to achieve, not later than December 31, 2000, a reduction in the actual emissions of reactive organic gases of at least 55 percent, a reduction in emissions of oxides of nitrogen of at least 15 percent from motor vehicles. These reductions in emissions shall be calculated with respect to the 1987 baseline year. The state board also shall take action to achieve the maximum feasible reductions in particulates, carbon monoxide, and toxic air contaminants from vehicular sources.

(c) In carrying out this section, the state board shall adopt standards and regulations which will result in the most cost-effective combination of control measures on all classes of motor vehicles and motor vehicle fuel, including, but not limited to, all of the following:

(1) Reductions in motor vehicle exhaust and evaporative emissions.

(2) Reductions in emissions from in-use emissions from motor vehicles through improvements in emission system durability and performance.

(3) Requiring the purchase of low-emission vehicles by state fleet operators.

(4) Specification of vehicular fuel composition.

(d) In order to accomplish the purposes of this division, and to ensure timely approval of the district's plans for attainment of the state air quality standards by the state board, the state board shall adopt the following schedule for workshops and hearings to consider the adoption of the standards and regulations required pursuant to

this section:

(1) Workshops on the adoption of vehicular fuel specifications for aromatic content, diesel fuel quality, light-duty vehicle exhaust emission standards, and revisions to the standards for new vehicle certification and durability to reflect current driving conditions and useful vehicle life shall be held not later than March 31, 1989. Hearings of the state board to consider adoption of proposed regulations pursuant to this subdivision shall be held not later than November 15, 1989.

(2) Notwithstanding Section 43830, workshops on the adoption of regulations governing gasoline Reid vapor pressure, and standards for heavy-duty and medium-duty vehicle emissions, shall be held not later than January 31, 1990. Hearings of the state board to consider adoption of proposed regulations pursuant to this subdivision shall be held not later than November 15, 1990.

(3) Workshops on the adoption of regulations governing detergent content, emissions from off-highway vehicles, vehicle fuel composition, emissions from construction equipment and farm equipment, motorcycles, locomotives, utility engines, and to the extent permitted by federal law, marine vessels, shall be held not later than January 31, 1991. Hearings of the state board to consider adoption of proposed regulations pursuant to this subdivision shall be held not later than November 15, 1991.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 560

An act to add Section 1511 to the Penal Code, relating to crimes.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 1511 is added to the Penal Code, to read:

1511. (a) In addition to petitions for a writ of mandate, prohibition, or review which the people are authorized to file pursuant to any other statute or pursuant to any court decision, the people may also seek review of an order granting a defendant's motion for severance or discovery by a petition for a writ of mandate or prohibition.

(b) In construing the legislative intent of subdivision (a), no inference shall be drawn from the amendment to Assembly Bill 1052 of the 1989–90 Regular Session of the Legislature which deleted reference to the case of People v. Superior Court, 69 Cal. 2d 491.

CHAPTER 561

An act to amend Section 1277 of the Health and Safety Code, relating to health facilities.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1277 of the Health and Safety Code is amended to read·

1277. (a) No license shall be issued by the state department unless it finds that the premises, the management, the bylaws, rules and regulations, the equipment, the staffing, both professional and nonprofessional, and the standards of care and services are adequate and appropriate, and that the health facility is operated in the manner required by this chapter and by the rules and regulations adopted hereunder.

(b) Notwithstanding any provision of Part 2 (commencing with Section 5600) of Division 5 of, or Division 7 (commencing with Section 7100) of, the Welfare and Institutions Code or any other law to the contrary, except Sections 2137.1 and 2137.2 of the Business and Professions Code, the licensure requirements for professional personnel, including, but not limited to, physicians and surgeons, dentists, podiatrists, psychologists, marriage, family, and child counselors, pharmacists, registered nurses, and clinical social workers in the state and other governmental health facilities licensed by the state department shall not be less than for such professional personnel in health facilities under private ownership. Persons employed as psychologists and clinical social workers, while continuing in their employment in the same class as of January 1, 1979, in the same state or other governmental health facility licensed by the state department, including those persons on authorized leave, but not including intermittent personnel, shall be exempt from the requirements of this subdivision. Additionally, the requirements of this subdivision may be waived by the state department solely for persons in the professions of psychology, marriage, family, and child counseling or clinical social work who are gaining qualifying experience for licensure in such profession in this state. A waiver granted pursuant to this subdivision shall not exceed two years from the date the employment commences in this state in the case of psychologists, or three years from commencement of the

employment in this state in the case of clinical social workers and marriage, family, and child counselors, at which time licensure shall have been obtained or the employment shall be terminated. However, this durational limitation upon waivers shall not apply to active candidates for a doctoral degree in social work, social welfare, or social science, who are enrolled at an accredited university, college, or professional school, but these limitations shall apply following completion of this training. Additionally, this durational limitation upon waivers shall not apply to active candidates for a doctoral degree in marriage, family, and child counseling or marital and family therapy who are enrolled at a school, college, or university, specified in subdivision (a) of Section 4980.40 of the Business and Professions Code, but the limitations shall apply following completion of the training. A waiver pursuant to this subdivision shall be granted only to the extent necessary to qualify for licensure, except that personnel recruited for employment from outside this state and whose experience is sufficient to gain admission to a licensing examination shall nevertheless have one year from the date of their employment in California to become licensed, at which time licensure shall have been obtained or the employment shall be terminated, provided that the employee shall take the licensure examination at the earliest possible date after the date of his or her employment, and if the employee does not pass the examination at that time, he or she shall have a second opportunity to pass the examination, subject to the one-year limit.

(c) A special permit shall be issued by the state department when it finds that the staff, both professional and nonprofessional, and the standards of care and services are adequate and appropriate, and that the special services unit is operated in the manner required in this chapter and by the rules and regulations adopted hereunder.

(d) The state department shall apply the same standards to state and other governmental health facilities that it licenses as it applies to health facilities in private ownership, including standards specifying the level of training and supervision of all unlicensed practitioners.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 562

An act to amend Section 99243 of the Public Utilities Code, relating to transportation.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 99243 of the Public Utilities Code is amended to read:

99243. (a) The Controller, in cooperation with the department and the operators, shall design and adopt a uniform system of accounts and records, from which the operators shall prepare and submit annual reports of their operation to the transportation planning agencies having jurisdiction over them and to the Controller within 90 days of the end of the fiscal year. The report shall specify (1) the amount of revenue generated from each source and its application for the prior fiscal year and (2) the data necessary to determine which section, with respect to Sections 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, the operator is required to be in compliance with in order to be eligible for funds under this article.

(b) As a supplement to the annual report prepared pursuant to subdivision (a), each operator shall include an estimate of the amount of revenues to be generated from each source and its proposed application for the next fiscal year, and a report on the extent to which it has contracted with the Prison Industries Authority, including the nature and dollar amounts of all contracts entered into during the reporting period and proposed for the next reporting period.

(c) The Controller shall instruct the county auditor to withhold payments from the fund to any operator which has not submitted its annual report to the Controller within the time specified by subdivision (a).

(d) In establishing the uniform system of accounts and records, the Controller shall include the data required by the United States Department of Transportation and the department.

(e) Notwithstanding any other law or any regulation, including any California Administrative Code provision, the City of South Lake Tahoe may select, for purposes of this chapter, on a one-time basis, a fiscal year which does not end on June 30. After the city has sent a written notice to the Secretary of the Business, Transportation and Housing Agency and the Controller that the city has selected a fiscal year other than one ending on June 30, the fiscal year selected by the city shall be its fiscal year for all reports required by the state under this chapter.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the

local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 563

An act to amend Sections 987.71, 987.78, and 987.80 of, and to add Section 987.775 to, the Military and Veterans Code, relating to housing, and making an appropriation therefor.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 987.71 of the Military and Veterans Code is amended to read:

987.71. (a) The purchaser shall make an initial payment of at least 5 percent of the selling price of the property. Purchasers of homes where the purchase price is equal to or less than thirty-five thousand dollars ($35,000) shall make an initial payment of at least 3 percent of the selling price of the property. The department may waive the initial payment in any case where the value of the property as determined by the department appraisal equals the amount to be paid by the department plus at least 5 percent where the purchase price is greater than thirty-five thousand dollars ($35,000). In the case of homes where the purchase price is equal to or less than thirty-five thousand dollars ($35,000), the department may waive the initial payment where the value of the property as determined by the department appraisal equals the amount to be paid by the department plus at least 3 percent.

(b) The balance of the purchase price may be amortized over a period fixed by the department, not exceeding 40 years for farms or homes and not exceeding 30 years for mobilehomes, together with interest thereon at the rate determined by the department pursuant to Section 987.87 for these amortization purposes.

(c) The department may, in order to allow the veteran to purchase the home selected without incurring excessive monthly payments, at the time of initial purchase, postpone the commencement of payment of the principal balance for not to exceed five years if the veteran's current income meets the standards for purchase on these terms and if the department determines, in accordance with previously established criteria for these determinations, that the veteran's income can reasonably be expected to increase sufficiently within the five-year period to make

the transition to fully amortized principal and interest payments, so long as the total term of the contract of purchase does not exceed 40 years.

(d) The purchaser on any installment date may pay any or all installments still remaining unpaid.

(e) In any individual case, the department may for good cause postpone, from time to time, upon terms the department determines to be proper, the payment of the whole or any part of any installment of the purchase price or interest thereon.

(f) Each installment shall include an amount sufficient to pay the principal and interest on the participation contract to which the interest of the department is subject, and any amount as may be required by a covenant or provision contained in any resolution of issuance.

SEC. 2. Section 987.775 is added to the Military and Veterans Code, to read:

987.775. Whenever the department proceeds under Section 987.77 to declare a forfeiture and to retain all payments made under the forfeited contract as rental paid for occupancy, the department may, in lieu of paying any net gain to the purchaser in accordance with Section 987.79, deposit that net gain into a segregated account in the Veterans' Farm and Home Building Fund of 1943 created to receive funds pursuant to this section. The funds in the account shall be accumulated until June 30 of each year, and any losses on the sales of forfeited properties during the fiscal year shall be deducted from the total of the net gains deposited in the account during the fiscal year. The department may expend the funds remaining in the account on June 30 each year, after deduction for losses on sales of forfeited properties, for purposes of assistance to lower income purchasers pursuant to subdivision (c) or (e) of Section 987.71 who might otherwise be rejected because of insufficient income or decline benefits under this article because of inability to afford the initial payment pursuant to subdivision (a) of Section 987.71. No financial assistance provided under this section may be used to reduce the initial payment required of the purchaser below 3 percent, except as provided by Section 987.71.

SEC. 3. Section 987 78 of the Military and Veterans Code is amended to read:

987.78. (a) In the event of a forfeiture of a contract of purchase under this article, the department may sell or otherwise dispose of the property covered by the forfeited contract to any person and upon any terms and conditions as it determines to be proper, under the conditions set forth in this section.

(b) Except as provided in subdivision (c) or (d), when the department elects to sell a forfeited property, it shall notify every city, county, city and county, housing authority, and public housing finance agency in the region of the state where the property is situated. The notice shall specify the location of the property, a brief description, and its estimated value and shall summarize the

procedures for a potential buyer to purchase or submit a bid on the property and the qualifications the potential buyer is required to meet. The department shall give first preference to a veteran who qualifies under this article, second preference to any other person serving in or honorably discharged from the armed forces of the United States, third preference to any person who is a first-time home buyer, and fourth preference to any other person.

(c) Where the department elects in the event of a forfeiture to sell or otherwise dispose of an assignment of an Indian veteran's beneficial interest or of a leasehold interest in allotment trust land, the department shall first offer it for sale to the person or persons for whom the land is held in trust, including an Indian veteran having a beneficial interest in the trust land on which the forfeiture occurred, at a price equal to the unpaid balance of the contract price. If none of the persons for whom the land is held in trust accepts the offer, the department shall next offer it to the United States Secretary of the Interior at the same price.

(d) Where the department elects in the event of forfeiture to sell or otherwise dispose of a leasehold interest in tribal trust land, the department shall first offer it for sale to the tribe for whom the land is held in trust at a price equal to the unpaid balance of the contract price. If the tribe fails to accept the offer, the department shall next offer it to the United States Secretary of the Interior at the same price.

(e) Where all the parties to whom the department is required to offer the property under subdivision (c) or (d) fail to accept the offer, the department may sell or otherwise dispose of the property covered by the forfeited contract as provided by subdivision (a) and, in so doing, the department shall give first preference to any good faith offer by a person approved by the tribal council of the reservation, rancheria, or land held under the jurisdiction of that particular tribal governing body on which the allotment land is sited.

(f) If the property is subject to a participation contract, the department may, at its option, pay the balance due upon the participation contract, including accrued interest, without penalty.

(g) Nothing in this section invalidates a transfer to, or affects the interest of, a good faith purchaser for value without notice of any failure of the department to comply with any requirement of this section in the disposition of any property subject to a forfeited contract.

SEC 4. Section 987.80 of the Military and Veterans Code is amended to read:

987.80. (a) The department may insure and keep insured against fire or other hazards all buildings, fences, other permanent improvements, or crops situated upon any property which has reverted to and is under the control of the department, or may do the work and supply the materials necessary to keep the buildings, fences, and other improvements situated upon the property in good order and repair. The department may lease or let the property, in

whole or in part, upon any terms that the department determines to be proper. In the case of a farm, the department may cultivate the farm or harvest the crop.

(b) Whenever the department determines to lease or let any reverted property pursuant to subdivision (a), the department may give first priority to public or private organizations serving homeless veterans if the property is zoned for that use and all state and local building permit and use conditions are met. The department may give second priority to a public housing authority organized pursuant to the Housing Authorities Law (Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code) for leasing or letting to persons of low income, as defined in Section 34213 of the Health and Safety Code.

CHAPTER 564

An act to amend Sections 221, 2003, 8609, 8664.5, and 15908 of, to repeal Sections 7362 and 8551 of, and to repeal Article 4.5 (commencing with Section 1385) of Chapter 4 of Division 2 of, the Fish and Game Code, relating to fish and game, and making an appropriation therefor.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 221 of the Fish and Game Code is amended to read:

221. The provisions of this article shall remain in effect only until January 1, 1995, and as of that date are repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

SEC. 2. Article 4.5 (commencing with Section 1385) of Chapter 4 of Division 2 of the Fish and Game Code is repealed.

SEC. 3. Section 2003 of the Fish and Game Code is amended to read:

2003. (a) Except as specified in subdivisions (b) and (c), it is unlawful to offer any prize or other inducement as a reward for the taking of any game birds, mammals, fish, reptiles, or amphibia in an individual contest, tournament, or derby.

(b) The department may issue a permit to any person, as defined in Section 67, authorizing that person to offer a prize or other inducement as a reward for the taking of any game fish, as defined by the commission by regulation, if it finds that there would be no detriment to the resource. The permit is subject to regulations adopted by the commission. The application for the permit shall be accompanied by a fee in the amount determined by the department

as necessary to cover the reasonable administrative costs incurred by the department in issuing the permit. The department may issue the following permits:

(1) An annual permit which covers all contests, tournaments, or derbies in a calendar year where, on each occasion, the number of participants does not exceed 50 and the total value of all prizes or inducements does not exceed one thousand dollars ($1,000). The annual permit is subject to terms and conditions which shall include, but are not limited to, the number, date, and locations of all contests, tournaments, or derbies which are authorized by the permit.

(2) An event permit that covers each contest, tournament, or derby where either the number of participants exceeds 50 or the total value of all prizes or inducements exceeds one thousand dollars ($1,000).

(c) This section does not apply to an individual contest, tournament, or derby for the taking of game birds and mammals if the total value of all prizes or inducements are less than five hundred dollars ($500) for each contest, tournament, or derby.

(d) This section does not apply to any person, as defined in Section 67, conducting what are generally known as frog-jumping contests or fish contests conducted in waters of the Pacific Ocean.

SEC. 4. Section 7362 of the Fish and Game Code is repealed.

SEC. 5. Section 8551 of the Fish and Game Code is repealed.

SEC. 6. Section 8609 of the Fish and Game Code is amended to read:

8609. The Legislature finds and declares that:

(a) The central California nearshore gill and trammel net fisheries for California halibut (Paralichthys californicus) and white croaker (Genyonemus lineatus) and the use of gill nets in these fisheries are expanding at a rapid rate.

(b) The incidental take of certain species of seabirds and marine mammals in set gill and trammel nets could be increasing to a level which may be adversely impacting the viability of the populations of nontarget species.

SEC. 7. Section 8664.5 of the Fish and Game Code is amended to read:

8664.5. (a) Notwithstanding Sections 8693 and 8724, gill nets and trammel nets shall not be used in those portions of District 17 between a line extending 220° magnetic from the mouth of Waddel Creek in Santa Cruz County and a line extending due west from Yankee Point, Carmel Highlands, in Monterey County in waters 15 fathoms or less in depth at mean lower low water and between a line extending 225° magnetic from Franklin Point in San Mateo County and a line extending 220° magnetic from the mouth of Waddel Creek in Santa Cruz County in waters 25 fathoms or less in depth at mean lower low water.

(b) Notwithstanding Sections 8693 and 8724, gill nets and trammel nets shall not be used in that portion of District 18 north of a line extending due west from Point Sal in Santa Barbara County in waters

15 fathoms or less in depth at mean lower low water. However, the director may issue an order allowing the use of gill or trammel nets in all, or any part, of the area of District 18 south of Point San Luis in San Luis Obispo County for a specified period if the director determines, on the basis of written findings, that the use of those nets will not result in any accidental take of sea otters. The director shall immediately rescind any order issued pursuant to this subdivision if the director determines that further use of those nets may result in the accidental entanglement or take of sea otters.

(c) Notwithstanding Sections 8693 and 8724, gill nets and trammel nets shall not be used in any of the following portions of District 18:

(1) Between a line extending 180° magnetic from the mouth of Pico Creek in San Luis Obispo County to a line extending due west from Cape San Martin in Monterey County (within the California Sea Otter Game Refuge) in waters 20 fathoms or less in depth at mean lower low water.

(2) Between a line extending 180° magnetic from Pfeiffer Point in Monterey County to a line extending due west from Point Sur in Monterey County (within the California Sea Otter Game Refuge) in waters 20 fathoms or less in depth at mean lower low water.

(d) Notwithstanding Sections 8693 and 8724, any person using gill nets or trammel nets in those portions of District 17 from a line extending 220° magnetic from the mouth of Waddel Creek in Santa Cruz County to a line extending due west from Yankee Point, Carmel Highlands (within the California Sea Otter Game Refuge) in Monterey County in waters between 15 fathoms and 20 fathoms in depth at mean lower low water shall comply with the following requirements in order to ensure adequate monitoring of the fishing effort to protect sea otters:

(1) Prior to the use, the person shall notify the department that gill nets and trammel nets will be set in the area.

(2) The person shall give adequate notification, as determined by the department, to the department at its office in Monterey or Morro Bay at least 24 hours prior to each fishing trip to ensure full compliance and cooperation with the monitoring program. The department may require that an authorized monitor be on board the vessel. The department shall determine whether on board, at sea, or shoreside monitoring is appropriate. If the authorized monitor is not on board the fishing vessel, the fishing vessel operator and the authorized monitor shall make every effort to remain in radio contact if the radio equipment is made available to the monitor.

(3) To ensure the effectiveness of the monitoring program, gill nets and trammel nets may be set or pulled only between one-half hour after sunrise and one-half hour before sunset.

(4) A permit may be revoked and canceled pursuant to Section 8681 for failure to comply with the department's notification and monitoring requirements.

(e) Notwithstanding Sections 8693 and 8724, any person using gill nets or trammel nets in those portions of District 18 north of a line

extending due west from the mouth of Santa Rosa Creek in San Luis Obispo County (within the California Sea Otter Game Refuge) in waters between 15 fathoms and 20 fathoms in depth at mean lower low water shall comply with the following requirements in order to ensure adequate monitoring of the fishing effort to protect sea otters:

(1) Prior to the use, the person shall notify the department that gill nets and trammel nets will be set in the area.

(2) The person shall give adequate notification, as determined by the department, to the department at its offices in Monterey or Morro Bay at least 24 hours prior to each fishing trip to ensure full compliance and cooperation with the monitoring program. The department may require that an authorized monitor be on board the vessel. The department shall determine whether on board, at sea, or shoreside monitoring is appropriate. If the authorized monitor is not on board the fishing vessel, the fishing vessel operator and the authorized monitor shall make every effort to remain in radio contact if radio equipment is made available to the monitor.

(3) To ensure the effectiveness of the monitoring program, gill nets and trammel nets may be set or pulled only between one-half hour after sunrise and one-half hour before sunset.

(4) A permit may be revoked and canceled pursuant to Section 8681 for failure to comply with the department's notification and monitoring requirements.

(f) (1) If the director determines that the use of gill or trammel nets is having an adverse impact on any population of any species of seabird, marine mammal, or fish, the director shall issue an order prohibiting or restricting the use, method of use, size, or materials used in the construction of either or both types of those nets in all or any part of District 10 or 17, or in all or any part of District 18 north of a line extending due west from Point Conception in Santa Barbara County for a specified period. The order shall take effect no later than 48 hours after its issuance. The director shall hold a properly noticed public hearing in a place convenient to the affected area within one week of the effective date of the order to describe the action taken and shall take testimony as to the effect of the order and determine whether any modification of the order is necessary.

(2) The director may permanently prohibit the use of gill nets and trammel nets within any portion or within the entire area of the California Sea Otter Game Refuge designated in subdivisions (d) and (e) if the director determines the use of gill or trammel nets is having an adverse impact on sea otters as provided in paragraph (1).

(g) For purposes of this section, "adverse impact" means either of the following:

(1) The danger of irreparable injury to, or mortality in, any population of any species of seabird, marine mammal, or fish which is occurring at a rate that threatens the viability of the population as a direct result of the use of gill nets or trammel nets.

(2) The impairment of the recovery of a species listed as an endangered species or threatened species pursuant to the federal

Endangered Species Act (16 U.S.C. Sec. 1531 et seq.) or the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3) or a species of seabird, marine mammal, or fish designated as fully protected under this code, as a direct result of the use of gill nets or trammel nets.

(h) This section does not apply to any gill net with meshes 3½ inches or less in length in any portion of District 18 between Yankee Point in Monterey County and Point Sal in Santa Barbara County.

(i) The department shall explore, as alternatives to the use of gill and trammel nets, what fishing gear and methods may be used to take California halibut in areas closed pursuant to this section. The department shall consider issuing experimental gear permits pursuant to Section 8606 for authorizing the use of the alternative fishing gear and methods in the California halibut fishery in those areas.

SEC. 8. Section 15908 of the Fish and Game Code is amended to read:

15908. The department shall, from time to time, require reports from a permittee operating pursuant to this chapter on the permittee's operations, and the department shall then make findings regarding the operations available to the commission.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 565

An act to add Section 1569.38 to the Health and Safety Code, relating to residential care facilities for the elderly.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1569.38 is added to the Health and Safety Code, to read:

1569.38. (a) Every substantiated complaint or substantiated citation against a residential care facility for the elderly shall be posted by the facility in a conspicuous place within the facility for a period of six months. The facility, during the admission process, shall

inform the designated responsible third party in writing that substantiated complaints and substantiated citations against the facility are posted for six months and subsequently kept on file at the facility for public access and review at any time during normal business hours, and that copies of results of department investigations and surveys of the facility are available from the appropriate district office of the department. The facility shall provide the telephone number and address of the appropriate district office.

(b) For purposes of this section, a designated responsible third party is an individual other than the resident who signs the facility admission agreement on behalf of the resident.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 566

An act to amend Section 15399.41 of the Government Code, relating to economic development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 15399.41 of the Government Code is amended to read:

15399.41. (a) It is the intent of the Legislature that there be established in the state, based on recommendations of the study required by this section, a supercomputer center in coordination with the Technology Center of Silicon Valley and the San Diego Supercomputer Center.

(b) The purpose of the study shall be to do all of the following:

(1) Identify the supercomputer needs in the state considering the availability of existing supercomputers.

(2) Identify the most cost-effective methods for establishing a center pursuant to this section.

(3) Identify potential sources of funding for establishing a center pursuant to this section.

(4) Identify any additional needs and costs for the San Diego Supercomputer Center.

(5) Identify the potential of attracting more business to California as a result of supercomputer capabilities.

(c) The Department of Commerce shall contract for the preparation of the study described in this section and shall submit the completed study to the Legislature no later than June 30, 1990.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to extend the September 30, 1989, deadline for submission of the study required by Section 15399.41 of the Government Code, it is necessary for this act to take effect immediately.

CHAPTER 567

An act to amend Section 11056 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 11056 of the Health and Safety Code is amended to read:

11056. (a) The controlled substances listed in this section are included in Schedule III.

(b) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers (whether optical, position, or geometric), and salts of those isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) Those compounds, mixtures, or preparations in dosage unit form containing any stimulant substances listed in Schedule II which compounds, mixtures, or preparations were listed on August 25, 1971, as excepted compounds under Section 1308.32 of Title 21 of the Code of Federal Regulations, and any other drug of the quantitative composition shown in that list for those drugs or which is the same except that it contains a lesser quantity of controlled substances.

(2) Benzphetamine.

(3) Chlorphentermine.

(4) Clortermine.

(5) Mazindol.

(6) Phendimetrazine.

(c) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system:

(1) Any compound, mixture, or preparation containing any of the following:

(A) Amobarbital

(B) Secobarbital

(C) Pentobarbital

or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule.

(2) Any suppository dosage form containing any of the following:

(A) Amobarbital

(B) Secobarbital

(C) Pentobarbital

or any salt of any of these drugs and approved by the federal Food and Drug Administration for marketing only as a suppository.

(3) Any substance which contains any quantity of a derivative of barbituric acid or any salt thereof.

(4) Chlorhexadol.

(5) Lysergic acid.

(6) Lysergic acid amide.

(7) Methyprylon.

(8) Sulfondiethylmethane.

(9) Sulfonethylmethane.

(10) Sulfonmethane.

(d) Nalorphine.

(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:

(1) Not more than 1.8 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium.

(2) Not more than 1.8 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(3) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium.

(4) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active nonnarcotic ingredients in recognized therapeutic amounts. Additionally, oral liquid preparations of dihydrocodeinone containing the above specified amounts may not contain as its nonnarcotic ingredients two or more antihistamines in combination with each other.

(5) Not more than 1.8 grams of dihydrocodeine per 100 milliliters

or not more than 90 milligrams per dosage unit, with one or more active nonnarcotic ingredients in recognized therapeutic amounts.

(6) Not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(7) Not more than 500 milligrams of opium per 100 milliliters or per 100 grams or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(8) Not more than 50 milligrams of morphine per 100 milliliters or per 100 grams, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(f) Anabolic steroids and chorionic gonadotropin. Any material, compound, mixture, or preparation containing chorionic gonadotropin or an anabolic steroid, including, but not limited to, the following:

(1) Androisoxazole.
(2) Androstenediol.
(3) Bolandiol.
(4) Bolasterone.
(5) Boldenone.
(6) Chlormethandienone.
(7) Clostebol.
(8) Dihydromesterone.
(9) Ethylestrenol.
(10) Fluoxymesterone.
(11) Formyldienolone.
(12) 4-Hydroxy-19-nortestosterone.
(13) Mesterolone.
(14) Methandriol.
(15) Methandrostenolone.
(16) Methenolone.
(17) 17-Methyltestosterone.
(18) Methyltrienolone.
(19) Nandrolone.
(20) Norbolethone.
(21) Norethandrolone.
(22) Normethandrolone.
(23) Oxandrolone.
(24) Oxymestrone.
(25) Oxymetholone.
(26) Quinbolone.
(27) Stanolone.
(28) Stanozolol.
(29) Stenbolone.
(30) Testosterone.
(31) Trenbolone.
(32) Chorionic Gonadotropin, (HGC).

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 568

An act to amend Sections 1026.4, 1170.2, and 1370.5 of the Penal Code, relating to crimes.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1026.4 of the Penal Code is amended to read:

1026.4. (a) Every person committed to a state hospital or other public or private mental health facility pursuant to the provisions of Section 1026, who escapes from or who escapes while being conveyed to or from the state hospital or facility, is punishable by imprisonment in the county jail not to exceed one year or in a state prison for a determinate term of one year and one day. The term of imprisonment imposed pursuant to this section shall be served consecutively to any other sentence or commitment.

(b) The medical director or person in charge of a state hospital or other public or private mental health facility to which a person has been committed pursuant to the provisions of Section 1026 shall promptly notify the chief of police of the city in which the hospital or facility is located, or the sheriff of the county if the hospital or facility is located in an unincorporated area, of the escape of the person, and shall request the assistance of the chief of police or sheriff in apprehending the person, and shall within 48 hours of the escape of the person orally notify the court that made the commitment, the prosecutor in the case, and the Department of Justice of the escape.

SEC. 1.5. Section 1170.2 of the Penal Code is amended to read:

1170.2. (a) In the case of any inmate who committed a felony prior to July 1, 1977, who would have been sentenced under Section 1170 if he or she had committed it after July 1, 1977, the Board of Prison Terms shall determine what the length of time of imprisonment would have been under Section 1170 without consideration of good-time credit and utilizing the middle term of

the offense bearing the longest term of imprisonment of which the prisoner was convicted increased by any enhancements justified by matters found to be true and which were imposed by the court at the time of sentencing for such felony. These matters include: being armed with a deadly or dangerous weapon as specified in Section 211a, 460, 3024, or 12022 prior to July 1, 1977, which may result in a one-year enhancement pursuant to the provisions of Section 12022; using a firearm as specified in Section 12022.5 prior to July 1, 1977, which may result in a two-year enhancement pursuant to the provisions of Section 12022.5; infliction of great bodily injury as specified in Section 213 264, or 461 prior to July 1, 1977, which may result in a three-year enhancement pursuant to the provisions of Section 12022.7; any prior felony conviction as specified in any statute prior to July 1, 1977, which prior felony conviction is the equivalent of a prior prison term as defined in Section 667.5, which may result in the appropriate enhancement pursuant to the provisions of Section 667.5; and any consecutive sentence.

(b) If the calculation required under subdivision (a) is less than the time to be served prior to a release date set prior to July 1, 1977, or if a release date had not been set, the Board of Prison Terms shall establish the prisoner's parole date, subject to subdivision (d), on the date calculated under subdivision (a) unless at least two of the commissioners of the Board of Prison Terms after reviewing the prisoner's file, determine that due to the number of crimes of which the prisoner was convicted, or due to the number of prior convictions suffered by the prisoner, or due to the fact that the prisoner was armed with a deadly weapon when the crime was committed, or used a deadly weapon during the commission of the crime, or inflicted or attempted to inflict great bodily injury on the victim of the crime, the prisoner should serve a term longer than that calculated in subdivision (a), in which event the prisoner shall be entitled to a hearing before a panel consisting of at least two commissioners of the Board of Prison Terms as provided for in Section 3041.5. The Board of Prison Terms shall notify each prisoner who is scheduled for such a hearing within 90 days of July 1, 1977, or within 90 days of the date the prisoner is received by or returned to the custody of the Department of Corrections, whichever is later. The hearing shall be held before October 1, 1978, or within 120 days of receipt of the prisoner, whichever is later. It is the intent of the Legislature that the hearings provided for in this subdivision shall be accomplished in the most expeditious manner possible. At the hearing the prisoner shall be entitled to be represented by legal counsel, a release date shall be set, and the prisoner shall be informed in writing of the extraordinary factors specifically considered determinative and on what basis the release date has been calculated. In fixing a term under this section the board shall be guided by, but not limited to, the term which reasonably could be imposed on a person who committed a similar offense under similar circumstances on or after July 1, 1977, and further, the board shall be

guided by the following finding and declaration hereby made by the Legislature: that the necessity to protect the public from repetition of extraordinary crimes of violence against the person is the paramount consideration.

(c) Nothing in this section shall be deemed to keep an inmate in the custody of the Department of Corrections for a period of time longer than he would have been kept in its custody under the provisions of law applicable to him prior to July 1, 1977. Nothing in this section shall be deemed to require the release of an inmate sentenced to consecutive sentences under the provisions of law applicable to him prior to July 1, 1977, earlier than if he had been sentenced to concurrent sentences.

(d) In the case of any prisoner who committed a felony prior to July 1, 1977, who would have been sentenced under Section 1170 if the felony was committed on or after July 1, 1977, the good behavior and participation provisions of Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply from July 1, 1977, and thereafter.

(e) In the case of any inmate who committed a felony prior to July 1, 1977, who would have been sentenced under Section 1168 if the felony was committed on or after July 1, 1977, the Board of Prison Terms shall provide for release from prison as provided for by this code.

(f) In the case of any inmate who committed a felony prior to July 1, 1977, the length, conditions, revocation, and other incidents of parole shall be the same as if the prisoner had been sentenced for an offense committed on or after July 1, 1977.

(g) Nothing in this chapter shall affect the eligibility for parole under Article 3 (commencing with Section 3040) of Chapter 8 of Title 1 of Part 3 of an inmate sentenced pursuant to Section 1168 as operative prior to July 1, 1977, for a period of parole as specified in subdivision (b) of Section 3000.

(h) In fixing a term under this section, the Board of Prison Terms shall utilize the terms of imprisonment as provided in Chapter 1139 of the Statutes of 1976 and Chapter 165 of the Statutes of 1977.

SEC. 2. Section 1370.5 of the Penal Code is amended to read:

1370.5. (a) Every person committed to a state hospital or other public or private mental health facility pursuant to the provisions of Section 1370 or 1370.1, who escapes from or who escapes while being conveyed to or from a state hospital or facility, is punishable by imprisonment in the county jail not to exceed one year or in the state prison for a determinate term of one year and one day. The term of imprisonment imposed pursuant to this section shall be served consecutively to any other sentence or commitment.

(b) The medical director or person in charge of a state hospital or other public or private mental health facility to which a person has been committed pursuant to the provisions of Section 1370 or 1370.1 shall promptly notify the chief of police of the city in which the hospital or facility is located, or the sheriff of the county if the hospital

or facility is located in an unincorporated area, of the escape of the person, and shall request the assistance of the chief of police or sheriff in apprehending the person, and shall within 48 hours of the escape of the person orally notify the court that made the commitment, the prosecutor in the case, and the Department of Justice of the escape.

CHAPTER 569

An act to amend Section 202 of, to add Section 706.5 to, and to repeal and add Section 656.2 of, the Welfare and Institutions Code, relating to juvenile court law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 202 of the Welfare and Institutions Code is amended to read:

202. (a) The purpose of this chapter is to provide for the protection and safety of the public and each minor under the jurisdiction of the juvenile court and to preserve and strengthen the minor's family ties whenever possible, removing the minor from the custody of his or her parents only when necessary for his or her welfare or for the safety and protection of the public. When removal of a minor is determined by the juvenile court to be necessary, reunification of the minor with his or her family shall be a primary objective. When the minor is removed from his or her own family, it is the purpose of this chapter to secure for the minor custody, care, and discipline as nearly as possible equivalent to that which should have been given by his or her parents. This chapter shall be liberally construed to carry out these purposes.

(b) Minors under the jurisdiction of the juvenile court who are in need of protective services shall receive care, treatment and guidance consistent with their best interest and the best interest of the public. Minors under the jurisdiction of the juvenile court as a consequence of delinquent conduct shall, in conformity with the interests of public safety and protection, receive care, treatment and guidance which is consistent with their best interest, which holds them accountable for their behavior, and which is appropriate for their circumstances. This guidance may include punishment that is consistent with the rehabilitative objectives of this chapter. If a minor has been removed from the custody of his or her parents, family preservation and family reunification are appropriate goals for the juvenile court to consider when determining the disposition of a minor under the jurisdiction of the juvenile court as a consequence of delinquent conduct when those goals are consistent

with his or her best interests and the best interests of the public.

(c) It is also the purpose of this chapter to reaffirm that the duty of a parent to support and maintain a minor child continues, subject to the financial ability of the parent to pay, during any period in which the minor may be declared a ward of the court and removed from the custody of the parent.

(d) Juvenile courts and other public agencies charged with enforcing, interpreting, and administering the juvenile court law shall consider the safety and protection of the public and the best interests of the minor in all deliberations pursuant to this chapter. Participants in the juvenile justice system shall hold themselves accountable for its results. They shall act in conformity with a comprehensive set of objectives established to improve system performance in a vigorous and ongoing manner.

(e) As used in this chapter, "punishment" means the imposition of sanctions which include the following:

(1) Payment of a fine by the minor.

(2) Rendering of compulsory service without compensation performed for the benefit of the community by the minor.

(3) Limitations on the minor's liberty imposed as a condition of probation or parole.

(4) Commitment of the minor to a local detention or treatment facility, such as a juvenile hall, camp, or ranch.

(5) Commitment of the minor to the Department of the Youth Authority.

"Punishment," for the purposes of this chapter, does not include retribution.

SEC. 2. Section 656.2 of the Welfare and Institutions Code is repealed.

SEC. 3. Section 656.2 is added to the Welfare and Institutions Code, to read:

656.2. (a) In any case in which a minor is alleged to have committed an act which would have been a felony if committed by an adult, the probation officer shall obtain a statement from the victim, the parent or guardian of the victim if the victim is a minor, or if the victim has died, the victim's next of kin, concerning the offense which shall be included in the social study made by the probation officer and submitted to the court pursuant to Section 706 and shall advise those persons as to the time and place of the disposition hearing.

The probation officer shall also provide the victim with information concerning the victim's right to an action for civil damages against the minor and his or her parents and the victim's opportunity to be compensated from the restitution fund. The information shall be in the form of written material prepared by the Judicial Council and shall be provided to each victim for whom the probation officer has a current mailing address.

(b) Notwithstanding any other provision of law, the persons from whom the probation officer is required to obtain a statement

pursuant to subdivision (a) shall have the right to attend the disposition hearing conducted pursuant to Section 702 and, subject to the court's discretion, to express their views concerning the offense and disposition of the case.

SEC. 4. Section 706.5 is added to the Welfare and Institutions Code, to read:

706.5. In any case where foster care placement is being considered, or has been made, each social study made by a probation officer, required to be received in evidence pursuant to Section 706, shall include, but not be limited to, the factual material listed in subdivisions (a) and (b) of Section 358.1.

SEC. 5. It is the intent of the Legislature in enacting Sections 2 and 3 of this act to resolve a controversy by declaring that Section 656.2 of the Welfare and Institutions Code has been in continual existence since January 1, 1982, when it was added to the Welfare and Institutions Code by Chapter 332 of the Statutes of 1981 because the second Section 2 of Chapter 1425 of the Statutes of 1984 supersedes Section 3 of Chapter 332 of the Statutes of 1981. Accordingly, Sections 2 and 3 of this act reflect this legislative intent and are declaratory of existing law.

SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect victims of crimes committed by juveniles and to assist courts in evaluating the appropriate disposition of juveniles who have committed acts which would have been a felony if committed by an adult, it is necessary for this act to take effect immediately.

CHAPTER 570

An act to add Part 9.2 (commencing with Section 33300) to Division 12 of the Water Code, and to amend Sections 1, 5, and 15.3 of, and to add Section 3 to, the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969), relating to water districts.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Part 9.2 (commencing with Section 33300) is added to Division 12 of the Water Code, to read:

PART 9.2. DESERT VIEW WATER DISTRICT-BIGHORN MOUNTAINS WATER AGENCY CONSOLIDATION

33300. This part shall be known and may be cited as the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law.

33301. As used in this part, "consolidation," as defined in Section 56030 of the Government Code, includes, for the purposes only of effecting a consolidation between the Desert View Water District and the Bighorn Mountains Water Agency, the uniting or joining of those two public entities, even though they have not been formed pursuant to the same principal act.

33302. The board of directors of a consolidated successor district shall consist of five members. The members of the board of directors of the consolidated successor district shall be elected at large unless, as a condition of consolidation, it is determined by the San Bernardino County Local Agency Formation Commission and by action of both the boards of the Desert View Water District and the Bighorn Mountains Water Agency that the board of the consolidated successor district shall be elected entirely by divisions or by some determined and agreed upon combination of divisional and at-large elections.

33303. For a period of not less than 10 years after January 1, 1990, unless approved by an unanimous vote of the directors of the successor district, all meetings of the board of directors of the successor district shall be held in offices or places within the boundaries of the Desert View Water District in even-numbered months and in offices or places within the boundaries of the Bighorn Mountain Water Agency in odd-numbered months, as those boundaries exist on the effective date of the consolidation.

33304. Subject to San Bernardino County Local Agency Formation Commission terms and conditions to a consolidation of the Desert View Water District and the Bighorn Mountains Water

Agency, the board of directors of a consolidated successor district shall operate under and pursuant to the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969).

33305. Section 31012 applies to a county water district consolidated with the Bighorn Mountains Water Agency.

33306. Any and all actions or proceedings pending by or against either the Desert View Water District or the Bighorn Mountains Water Agency may be prosecuted to final judgment for or against those entities, or the consolidated successor district may be substituted as a party. After the effective date of the consolidation, no action or proceeding shall be brought for or against the Desert View Water District or the Bighorn Mountains Water Agency, but shall instead be prosecuted by or against the consolidated successor district.

SEC. 2. Section 1 of the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969) is amended to read:

Section 1. This act is designated, and may be cited and referred to as, the "Bighorn Mountains Water Agency Law."

If the Desert View Water District and the Bighorn Mountains Water Agency consolidate, this act shall thereafter be designated, and may be cited and referred to, by the full name of the consolidated successor district, followed by the word "Law."

SEC. 3. Section 3 is added to the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969), to read:

Sec. 3. If the Desert View Water District and the Bighorn Mountains Water Agency consolidate, the board of directors of both entities may accept, as a San Bernardino County Local Agency Formation Commission condition of that consolidation, the selection of a different name for the agency. Thereafter, all statutory references to "Bighorn Mountains Water Agency" shall, from the effective date of the consolidation, be deemed to refer to the name of the consolidated successor district.

SEC. 4. Section 5 of the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969) is amended to read:

Sec. 5. The Board of Directors of the Bighorn Mountains Water Agency organized under this act shall consist of five members. The Board of Supervisors of San Bernardino County shall appoint the first board of directors, each of whom shall be a resident of the agency, and shall hold office until his successor is elected. All successors of the first board shall be elected or chosen at the time and in the manner provided in the Uniform District Election Law.

If the Desert View Water District and the Bighorn Mountains Water Agency consolidate, the board of directors of the consolidated successor district shall consist of five members, in accordance with Section 33302 of the Water Code. In that event, the San Bernardino County Local Agency Formation Commission may, pursuant to Section 56844 of the Government Code, change or terminate existing elective terms of the directors of both the Desert View Water District and the Bighorn Mountains Water Agency in a manner

approved by actions of the board of each of those entities in their respective applications for formation of a consolidated successor district.

SEC. 5. Section 15.3 of the Bighorn Mountains Water Agency Law (Chapter 1175 of the Statutes of 1969) is amended to read:

Sec. 15.3. In addition to the powers granted in Section 15, the agency may exercise all powers previously or hereafter granted to or possessed by county water districts organized and governed under the County Water District Law (Division 12 (commencing with Section 30000) of the Water Code) to finance the acquisition of waterworks or waterworks systems, waters, water rights, lands, rights or privileges, and may exercise all those powers to fund construction, maintenance, or operation of new waterworks systems constructed after January 1, 1986.

The board of directors may, with respect to any improvement, assessment, special tax, or taxation district or area originally formed or existing under the County Water District Law, continue to exercise all of the powers held by a board organized under that law to fund, set, levy, or collect moneys, taxes, fees, or assessments reasonably required to be raised and collected from the improvement, assessment, special tax, or taxation district or area.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 571

An act to amend Section 1363 of the Corporations Code, relating to common interest developments.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1363 of the Civil Code is amended to read:

1363. A common interest development shall be managed by an association which may be incorporated or unincorporated. Unless the governing documents provide otherwise, and regardless of whether the association is incorporated or unincorporated, the association may exercise the powers granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code, except that an unincorporated association may

not adopt or use a corporate seal or issue membership certificates in accordance with Section 7313 of the Corporations Code. An association, whether incorporated or unincorporated, may exercise the powers granted to an association by Section 374 of the Code of Civil Procedure and the powers granted to the association in this title. The association may be referred to as a community association.

An association, whether incorporated or unincorporated, shall prepare a budget pursuant to Section 1365 and disclose information, if requested, in accordance with Section 1368.

CHAPTER 572

An act to amend Section 416 of the Penal Code, relating to crimes.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 416 of the Penal Code is amended to read:

416. (a) If two or more persons assemble for the purpose of disturbing the public peace, or committing any unlawful act, and do not disperse on being desired or commanded so to do by a public officer, the persons so offending are severally guilty of a misdemeanor.

(b) Any person who, as a result of violating subdivision (a), personally causes damage to real or personal property, which is either publicly or privately owned, shall make restitution for the damage he or she caused, including, but not limited to, the costs of cleaning up, repairing, replacing, or restoring the property. Any restitution required to be paid pursuant to this subdivision shall be paid directly to the victim. If the court determines that the defendant is unable to pay restitution, the court shall order the defendant to perform community service, as the court deems appropriate, in lieu of the direct restitution payment.

(c) This section shall not preclude the court from imposing restitution in the form of a penalty assessment pursuant to Section 1464 if the court, in its discretion, deems that additional restitution appropriate.

(d) The burden of proof on the issue of whether any defendant or defendants personally caused any property damage shall rest with the prosecuting agency or claimant. In no event shall the burden of proof on this issue shift to the defendant or any of several defendants to prove that he or she was not responsible for the property damage.

CHAPTER 573

An act to amend Sections 6, 8, and 11 of the Fresno Metropolitan Flood Control Act (Chapter 503 of the Statutes of 1955), to repeal the Solano County Flood Control and Water Conservation District Act (Chapter 836 of the Statutes of 1988), and to enact the Solano County Water Agency Act, relating to water agencies.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6 of the Fresno Metropolitan Flood Control Act (Chapter 503 of the Statutes of 1955) is amended to read:

Sec. 6. (a) Within 30 days after creation of the district, the members of the Board of Directors shall be appointed by the appointing bodies, respectively, and all of the directors shall qualify by taking and filing with the County Clerk of Fresno County the oath of office provided for public officials. The oath of office may be administered by the appointing bodies or the secretary of the board. The directors shall, as soon as convenient, meet and organize by the selection of one of their number as chairperson of the board. They shall also select the secretary of the board. The director appointed by the City of Clovis, one director appointed by the board of supervisors, and two of the directors appointed by the City of Fresno shall hold terms of office which shall initially expire on August 3, 1958. One director appointed by the board of supervisors and two of the directors appointed by the City of Fresno shall hold terms of office which shall initially expire on August 3, 1960. Following the initial expiration dates, all directors shall be appointed and hold office for four years. Directors for whom the term of office has expired shall continue to serve as a member of the board of directors until the respective appointing body shall reappoint that director to a new term of office or shall appoint a new director.

(b) The chairman of the board shall hold office for a term of two years from the date of his election as chairman. The secretary of the board shall hold office at the pleasure of the board. Four members of the board shall constitute a quorum, and the decision of a majority of all of the members of the board shall be necessary to take any action, unless otherwise in this act provided; provided, however, that if a meeting is not attended by a majority of the members of the board, a lesser number may adjourn the meeting to a specified time and any meeting may be adjourned by the vote of a majority of the members present.

(c) The board shall by resolution fix a regular time and place of meeting, and no notice of regular meetings need be given. The board shall also provide the method of calling special meetings and of giving notice thereof, but no special meeting shall be called upon less

than 24 hours notice, except that in an emergency a special meeting may be called upon not less than three hours notice or may be held pursuant to a waiver of notice signed by all members of the board and filed with the minutes of the meeting. Any such emergency call or waiver shall set forth a general statement of the facts determined to create the emergency. No defect in such statement shall invalidate the special meeting. If any vacancy occurs in any appointive office of the board of directors, the vacancy shall be filled within 60 days from the date it occurs in the same manner as the original appointment was made. If any director is absent from three consecutive meetings of the board of directors, the secretary of the board shall report the absence to the appointing body. The board shall adopt a seal. It may also provide rules and regulations for the conduct of its meetings and may change such rules and regulations from time to time.

SEC. 2. Section 8 of the Fresno Metropolitan Flood Control Act (Chapter 503 of the Statutes of 1955) is amended to read:

Sec. 8. The district shall be and constitute a public corporation, and as such has the powers enumerated in this act, all powers necessarily or reasonably implied therefrom, and all powers necessarily or reasonably implied from the creation and existence of the district. The powers include the following:

1. To have perpetual succession.

2. To sue and be sued in the name of the district in all actions and proceedings in all courts and tribunals of competent jurisdiction.

3. To have and exercise the power of eminent domain.

4. To take by grant, exchange, purchase, including for cash, promissory note secured by purchase money deed of trust, assumption of existing indebtedness, or any combination thereof, gift, lease, devise, or otherwise and to hold, use, and enjoy real or personal property of every kind within or without the district necessary to or convenient for the full exercise of its powers.

5. To acquire lands, rights-of-way, easements, privileges, and property of every kind and nature, to construct, maintain, and operate any or all works or improvements within or without the district necessary or proper to carry out any of the objects or purposes of this act, and to complete, extend, add to, repair, or otherwise improve any works or improvements acquired by it as herein authorized, or, pursuant to a contract authorized by paragraph 10 of this section, any works or improvements owned or constructed by the City of Fresno, the City of Clovis, the County of Fresno, Fresno Irrigation District, or any other public agency, or any two or more thereof, and used in whole or in part for flood control, storm drainage, or water conservation purposes.

6. To levy or cause to be levied an assessment tax for the purpose of providing funds for the district and for paying any obligations thereof to carry out any of the objects and purposes of this act, all of which are of benefit to the lands and improvements of the district.

7. To levy or cause to be levied assessments or benefit assessments

as provided by the Water Code, the Revenue and Taxation Code, the Government Code, or the Streets and Highways Code.

8. To incur indebtedness and to issue notes, bonds, or other evidence of that indebtedness in the manner herein provided.

9. To make contracts and to employ appraisers, consultants, attorneys, engineers, and other technical advisers and all employees necessary or convenient for the administration of the district, the maintenance and operation of any works under its jurisdiction, and the planning of any works or construction under this act.

10. To contract with the City of Fresno, County of Fresno, Fresno Irrigation District, or any other public agency or any public utility for the use of any rights-of-way, easements, lands, works, or property owned by any thereof which are necessary, convenient, or useful to the district, or necessary or convenient for the construction or operation of any flood control works or storm drain works proposed to be financed by the flood control district; to contract with any of such public agencies for the acquisition or construction by such public agency of any flood control or storm drain works financed by the district, or the maintenance and operation thereof, or for any or all of the foregoing, and the flood control district may carry out any or all of its powers either separately or in conjunction with one or more of the public agencies, and may make any contract or lease or accept any conveyance of property necessary or convenient for the accomplishment of the purposes of the flood control district. The powers granted by this subparagraph shall be liberally construed.

11. To develop property for recreational uses and purposes in connection with the use thereof for control or conservation of waters or to lease to or contract with individuals or public or private agencies for use or for development and use thereof for the recreational purposes.

12. To sell or dispose of real property, rights to surface or groundwaters, or any interest therein or part thereof whenever, in the judgment of two-thirds of the board of directors, the real property, water rights, or interest therein or part thereof is no longer required for the purposes of the district and to pay any compensation received therefor into the general fund of the district and use the same for the purposes of this act. To lease or let real property or rights to surface or groundwaters and sell, dispose of, lease, or let personal property, or any interest therein or part thereof, whenever, in the judgment of a majority of all the members of the board of directors, the real or personal property or interest therein or part thereof is no longer required for the purposes of the district or may be leased or let for any purpose without interfering with the use thereof for the purposes of the district, and to pay any compensation received therefor into the general fund of the district and use the same for the purposes of this act.

13. To acquire for the objects and purposes of this act and the district by grant, purchase, gift, lease, devise, permit, or otherwise and to hold, use, and enjoy the rights to surface and groundwaters

and to undertake those acts necessary to the beneficial use of those waters.

14. To levy fees and charges for the services, supplies, or material provided by district, the fees and charges, duly adopted by resolution of the district, not to exceed the actual cost of the services, supplies, or material.

15. To enact and enforce ordinances determined necessary and convenient to the exercise of the authority and powers of the district and to the accomplishment of the objects and purposes thereof.

SEC. 3. Section 11 of the Fresno Metropolitan Flood Control Act (Chapter 503 of the Statutes of 1955) is amended to read:

Sec. 11. Each member of the board of directors shall receive not to exceed one hundred dollars ($100) for each day's attendance at meetings of the board or committees thereof or for each day engaged in other official business under order of the board, except that the directors shall not be compensated for more than the maximum number of days permitted by Section 20202 of the Water Code, or six days, whichever is greater. The board of directors shall establish the maximum number of days for which compensation shall be provided, not to exceed the limit set forth in this section, and may increase the amount received per meeting in accordance with Section 20202 of the Water Code Each member of the board of directors shall receive, in addition to these amounts, all actual and necessary expenses while engaged in official business under the order of the board.

SEC. 4. Chapter 836 of the Statutes of 1988 is repealed.

SEC. 5. This section enacts the Solano County Water Agency Act (hereinafter the act), and creates the Solano Water Agency as successor to the Solano County Flood Control and Water Conservation District.

PART 1. INTRODUCTORY PROVISIONS

CHAPTER 1. SHORT TITLE

Sec. 10. This act shall be known and may be cited as the Solano County Water Agency Act

CHAPTER 2. LEGISLATIVE INTENT

Sec. 20. The Legislature hereby finds that water problems in the County of Solano require countywide water conservation, development of water resources, and flood control; that these problems are not general or statewide; that the county for many years has made investigations and engineering surveys of the county's water resources by private, public, and federal engineers; that various water districts and municipalities now exist within portions of the county which have acquired property and works, have developed a limited water supply, and have incurred

indebtedness, but have been and are unable alone to economically develop an adequate water supply; that the Solano County Flood Control and Water Conservation District has made progress in addressing the water needs of the county; that to adequately and feasibly conserve the water supply and control the floods of the county, it is necessary to continue to have a political entity coextensive with the geographical limits of the entire county; that there is increasing demand for water within the county for municipal, irrigation, military, and other uses, and there is an urgent need that an adequate supply of water be obtained. Investigation has shown conditions in the county to be peculiar to it and it is hereby declared that general law cannot be applicable to the county and that the enactment of this special law is necessary for the conservation, development, control, and use of water for the public good and for the protection of life and property therein.

CHAPTER 3. CREATION AND TERRITORY

Sec. 30. An agency is hereby created to be known as the Solano County Water Agency. The agency shall consist of all of the territory within the County of Solano lying within the exterior boundaries thereof, the area of the Davis Campus of the University of California, and that portion of the territory of any participating agency lying outside the exterior boundaries of the County of Solano.

CHAPTER 4. DEFINITIONS

Sec. 40. "Agency" means the Solano County Water Agency.

Sec. 41. "Board of directors" or "board" means the board of directors of the agency.

Sec. 42. "Board of supervisors" means the board of supervisors of the county.

Sec. 43. "County" means the County of Solano of the State of California.

Sec. 44. "Elector" or "qualified elector" or "voter" or "qualified voter" means any registered voter residing within the agency.

Sec. 45. "May" is permissive and "shall" is mandatory.

Sec. 46. "Member unit," for the purpose of the contract between the United States and the Solano County Flood Control and Water Conservation District for Water Service and for Operation and Maintenance of Certain Works of the Solano Project by the district, dated June 7, 1955, means participating agency as defined in Section 47.

Sec. 47. "Participating agency" means any county water district, reclamation district, irrigation district, water conservation district, municipality, flood control district, other public entity, city, or political subdivision of the state empowered by law to appropriate water and to deliver water to water users, the territory of which lies

principally within the county, which participating agency enters into a contract with the agency for (a) the repayment in whole or part to the agency or any other person, corporation, public agency, the state, or the United States of any or all of the construction costs of any works constructed by or on behalf of the agency, (b) the underwriting in whole or part of any or all of those construction costs, (c) the repayment in whole or in part to the agency or any other person, corporation, public agency, the state, or the United States of any or all of the cost of furnishing water or a water supply to the agency or the underwriting in whole or in part of that cost, or (d) the payment in whole or in part for water to be furnished or sold to that participating agency by the agency, the state, or the United States.

Sec. 48. "Participating zone" means one or two or more zones benefiting from the same project or projects.

Sec. 49. "Project" means a work and all of the activities related to or necessary for acquisition, construction, operation, and maintenance of a work, including, but not limited to, planning, design, financing, and administration.

Sec. 50. "State" includes the State of California and all bureaus, commissions, divisions, departments, boards, agencies, and officers of the State of California.

Sec. 51. "United States" includes the United States of America, and all bureaus, commissions, divisions, departments, boards, agencies, and officers of the United States of America.

Sec. 52. "Work" or "works" includes, but is not limited to, any of the following: reservoirs dams, and all conduits and facilities for the control, conservation, diversion, and transmission of water for beneficial uses; drains, levees, and all ditches and facilities for the control and disposal of drainage, storm, and flood waters within the agency; powerplants, transmission lines, and all facilities for the generation and distribution of electric power; and all necessary property interests and rights-of-way.

Sec. 53. "Zone" means an improvement district, assessment district, or zone of benefit of the agency.

Sec. 54. "Zone of benefit" means a zone of benefit formed under Part 6 (commencing with Section 600).

CHAPTER 5. GENERAL PROVISIONS

Sec. 60. Neither the establishment and continuation of the agency, nor any provision of this act shall affect, restrict, or supersede the existence, property, right, or power of any municipality, or public agency now or hereafter established in or partially within the limits of the agency for the purpose or purposes in whole or part of flood control or for the purpose or purposes in whole or part of reclamation, conservation, storage, distribution, sale, use, or development of water. The Legislature because of conditions special to the county hereby expressly declares its intent to permit within

the limits of the agency the existence of more than one public agency or municipality having similar powers over similar territory in regard to flood control, reclamation, water conservation, storage, distribution, sale, use, and development.

Sec. 61. The formation of the agency or the enactment of this act shall not impair the vested right of any person, association, corporation, municipality, or public agency in or to water or the use of water.

Sec. 62. The legal title to all property acquired under this act shall immediately and by operation of law vest in the agency, and shall be held by the agency, in trust for, and is hereby dedicated and set apart to, the uses and purposes set forth in this act. The board of directors may hold, use, acquire, manage, occupy, and possess the property, as provided in this act. The board of directors may determine, by resolution duly passed and entered in its minutes, that any property, real or personal, held by the agency is no longer necessary to be retained for the uses and purposes thereof, and may thereafter sell or otherwise dispose of the property, or lease the same, in the manner provided by law for the disposition and sale of property of counties, subject to Section 206, except that the title to water rights or water conservation works shall not be conveyed or alienated except by a vote of the electors at an election held for that purpose.

Sec. 63. The rights-of-way, ditches, flumes, pipelines, and other conduits, drains, water, water rights, reservoirs, dams, franchises, works, and all other property used for the purposes of the agency and belonging to it shall not be taxed nor assessed for state, county, municipal, or any district purpose.

Sec. 64. Any judicial action or proceeding to attack, review, set aside, void, annul, or challenge the validity or legality of the formation of a zone, any contract entered into by the agency or a zone, any bond or evidence of indebtedness of the agency or a zone, or any assessment, rate, or charge of the agency or a zone shall be commenced within 60 days of the effective date thereof.

The action or proceeding shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

The agency may bring an action pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any of the matters referred to in this section.

Sec. 65. Claims for money damages against the agency shall be governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein. Claims not governed by those provisions or by other statutes or by ordinances or regulations authorized by law and expressly applicable to those claims shall be prepared and presented to the board, and all claims shall be audited and paid, in the same manner and with the same effect as are similar claims against the county.

Sec. 66. The boundaries of the agency shall be automatically changed in the event of a change in the boundaries of the county, and any such boundary change shall not be governed by the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Section 56000) of Title 6 of the Government Code).

Sec. 67. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

PART 2. INTERNAL ORGANIZATION

CHAPTER 1. BOARD OF DIRECTORS

Sec. 200. (a) The board of directors shall consist of 15 directors. Each member of the board of supervisors of the county shall serve as a director. The mayor of each of the Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo shall serve as a director representing each city.

(b) Each city referred to in subdivision (a) shall appoint an alternate director to serve in the place of the mayor. The alternate director shall be a member of the city council during the term of appointment.

(c) The Solano Irrigation District, the Maine Prairie Water District, and Reclamation District No 2068 shall each appoint a director, which director shall be a member of the governing board of the appointing entity during the term of the appointment. Each appointing entity shall further appoint an alternate director to serve in the place of the director. The alternate may be a member of the governing board of, or the manager of, the appointing entity. The directors and alternates who are appointed shall serve at the pleasure of the appointing board.

Sec. 201. Directors and alternates shall be entitled to receive from the agency the sum of fifty dollars ($50) for each meeting attended as a member of the board, not to exceed one hundred dollars ($100) per month for all meetings attended, plus actual, necessary and reasonable traveling expenses. The basis for compensation of the directors, and the amount thereof, may be altered only by a two-thirds vote of the directors.

Sec. 202. The board may adopt reasonable rules and regulations to carry out its powers and duties.

Sec. 203. The board shall elect a chairperson and a vice chairperson. The chairperson shall preside at all meetings of the board and the vice chairperson shall act as chairperson in the absence of the chairperson elected by the board. In the case of the absence or inability to act of both the chairperson and the vice chairperson, the directors present shall, by an order entered in their

records, select one of their number as temporary chairperson. Any member of the board may administer oaths when necessary in the performance of that member's official duties.

Sec. 204. A majority of the members of the board shall constitute a quorum for the transaction of business, but no act of the board shall be valid or binding unless a majority of all members concur therein. Such a majority vote of the board shall be sufficient to transact business of the agency except as otherwise provided in this act.

Sec. 205. A vote of two-thirds of the members of the board shall be required for passage by the board of any of the following measures:

(a) A measure which provides for a renewal of a water supply contract by the agency to a participating agency allocating a decreased supply or lower priority to water than is provided by a contract existing on January 1, 1988. Notwithstanding this vote requirement, the board may take no action which would impair the existing contractual rights of a participating agency.

(b) A measure which provides for a different pricing formula than that utilized by the agency on January 1, 1988, in that participating agency's contract for water unless the affected participating agency consents in writing to the change.

(c) A measure which provides for the incurrence of a debt, except within a zone as described in Part 6 (commencing with Section 600), payable over more than one year and in an amount in excess of two hundred fifty thousand dollars ($250,000).

(d) A measure which provides for the sale, distribution, or disposal of major capital assets of the agency which are valued by the board in an amount in excess of two hundred fifty thousand dollars ($250,000).

CHAPTER 2. ADVISORY COMMISSION

Sec. 220. There is hereby created an advisory commission to advise the board of directors. The advisory commission shall consist of one representative appointed by each of the Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo. The board of supervisors of the county, the Solano Irrigation District, the Maine Prairie Water District, and Reclamation District No. 2068 shall each appoint one representative. The advisory commission shall meet at least monthly, and shall make reports and recommendations to the board of directors. The members of the advisory commission shall be the chief administrative officers of the entity which the member represents or a chief of technical staff of that entity. An alternate member of the advisory commission shall also be appointed by each entity, who shall work under either the chief administrative officer or the chief of technical staff of the appointing entity.

CHAPTER 3. OTHER OFFICERS AND EMPLOYEES

Sec. 260. The board may employ agents, superintendents, engineers, attorneys, and employees necessary to carry out this act. The board shall appoint a general manager and may appoint a treasurer, secretary, and such other officers, agents, and employees for the board as in its judgment may be deemed necessary, prescribe their duties, and fix their compensation. The officers, agents, and employees so appointed shall hold their respective offices or positions at the pleasure of the board.

Sec. 261. In addition to those officers and employees employed by the board pursuant to Section 260, the board may provide that any employee of the county or of an entity having representation on the board of directors, which it may designate, may be an ex officio employee of the agency, and shall perform, unless otherwise provided by the board, the same various duties for the agency as for his or her employer in order to carry out this act.

Sec. 262. In addition, the board may contract for the provision of services by participating agencies or other public or private agencies as necessary to carry out this act. The work shall be provided in the most efficient and economical manner. Contracts for the provision of services in effect as of January 1, 1989, shall be continued by the agency regardless of the terms of this section unless the board determines, by a two thirds vote, that the contracting party has evidenced a failure to perform the required services in a competent, economic, or expeditious manner. When entering into new contracts for operation or maintenance and repair of facilities of the agency for which the agency is obligated by contract to operate or maintain and repair, the agency shall give preference to the participating agency which is the primary beneficiary and user of the facility, in the case of water delivery and storage facilities. In the case of flood control and drainage works, preference shall be given to the participating agency in which the largest portion of the flood control project is located. If the participating agency entitled to that preference is unwilling to provide the required operation or maintenance and repair, or both, or if the board determines by a two-thirds vote of its members that the work may be performed in a more economical, competent, or expeditious manner by an entity other than the participating agency entitled to that preference, the board may provide for the contracts for the performance of operation or maintenance and repair of facilities, or both, with other participating agencies, the county, or public or private contractors. Only if no other participating agency and neither the county nor a qualified public or private contractor is willing to contract for the performance of those services in a competent, economical, and expeditious manner, may the board provide for the performance of that work directly by the agency.

PART 3. ELECTIONS

CHAPTER 1. AGENCY ELECTIONS

Sec. 300. All agency elections shall be conducted in conformance with the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code), to the extent applicable, unless otherwise provided in this act.

Sec. 301. Except as otherwise provided in this act, the county clerk shall conduct all elections within the agency. The board may, by resolution, determine that the agency shall conduct an election, and an officer designated by the agency shall perform the duties of the county clerk in conducting the election.

Sec. 302. The board may, by resolution, direct that any agency election be conducted by all-mailed ballot under the procedure for mailed ballot elections set forth in the Elections Code. If an election is to be conducted by all-mailed ballot, it may be conducted in accordance with Section 23509.5 of the Elections Code or it may be conducted on any Tuesday, unless it is the day before or the day after a state holiday, or unless it is one of the established election dates set forth in Section 2500 of the Elections Code.

Sec. 303. Elections shall be held on one of the established election dates set forth in Section 2500 of the Elections Code or, if conducted by all-mailed ballot, in the manner provided in Section 302.

CHAPTER 2. ZONE ELECTIONS

Sec. 320. In the alternative to calling an election within a zone under the Uniform District Election Law, the board may call a zone election to vote on proposals for the issuance of bonds, the approval of projects, or the levy of benefit assessments affecting the zone. A zone election may be held on any Tuesday, unless it is the day before or the day after a state holiday, or unless it is one of the established election dates set forth in Section 2500 of the Elections Code. A zone election shall be conducted in the manner prescribed by the board in its resolution calling the zone elections. The resolution shall, among other things, set forth the notice requirement for the election, and whether the election will be conducted by all-mailed ballot. Unless otherwise provided in the resolution, the zone election shall be conducted in the same manner as district elections.

PART 4. POWERS AND PURPOSES

CHAPTER 1. POWERS GENERALLY

Sec. 400. The agency shall have the powers enumerated in this act and such other powers as the law may provide. The powers of the agency, except as otherwise provided, shall be exercised by the board of directors.

Sec. 401. The agency has perpetual succession.

Sec. 402. The agency may adopt a seal and alter it at its pleasure.

Sec. 403. The agency may sue and be sued, except as otherwise provided in this act or by law, in all actions and proceedings in all courts, commissions, boards, and tribunals of competent jurisdiction.

Sec. 404. The agency may, within or outside the agency within the state, acquire by purchase, condemnation, or other legal means all property or rights in property necessary or proper for agency works and purposes of the agency. Eminent domain proceedings may be brought by the agency for these purposes pursuant to Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure. No action in eminent domain to acquire property or interests in property outside the boundaries of the county shall be commenced unless the board of supervisors of each affected county has consented to the acquisition by resolution.

Sec. 405. The agency may take, absolutely or on condition, by grant, purchase, gift, devise, or lease, with or without the privilege of purchasing, or otherwise, real and personal property of any kind, or any interest in real property, within or without the agency, necessary to the full exercise of its powers, and to hold, use, enjoy, and lease or dispose of the property or interest.

Sec. 406. The agency may make contracts, employ labor, and do all acts necessary for the full exercise of its purposes and powers. The board may cause construction or other work to be performed or carried out by contracts or by the agency with its own forces as provided in this act.

Sec. 407. The agency may, subject to any limitations in this act, do any and every lawful act necessary to be done, that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the agency, including, but not limited to, irrigation, domestic, fire protection, municipal, commercial, industrial, and all other beneficial uses.

Sec. 408. The agency may control flood and storm waters within the agency and the flood and storm waters of streams outside of the agency which flow into the agency; conserve those waters by storage in surface reservoirs; divert and transport those waters for beneficial uses within the agency; release those waters from surface reservoirs to replenish and augment the supply of waters in natural underground reservoirs; and otherwise reduce the waste of water and protect life and property from floods within the agency.

Sec. 409. The agency may, within or outside the agency, construct, purchase, lease, or otherwise acquire works, and purchase, lease, appropriate, or otherwise acquire surface waters and water rights, useful or necessary to make use of water for any purposes authorized by this act.

Sec. 410. The agency may, subject to Section 262, operate, repair, improve, maintain, renew, replace, and extend all works and

property of the agency.

Sec. 411. The agency may make surveys and investigations for works and projects and of the water supply and resources of the agency, and carry on and perform technical and other investigations of all kinds, make measurements, collect data, and make analyses, studies, and inspections pertaining to water supply, water, water rights, control of floods, and use of water both within and outside the agency, subject to the limitation set forth in Section 416. For these purposes the agency shall have the right of access through its authorized representatives to all properties within the agency.

Sec. 412. The agency may construct its pipes, pipelines, canals, flumes, tunnels, and other conduits, along, under, or across any public road, street, alley, avenue, highway, or sidewalk, or across any stream of water, watercourse, railway, canal, ditch, or flume which the route of those pipes, pipelines, canals, flumes, tunnels, or other conduits may intersect or cross; provided the works are constructed in such manner as to afford security for life and property. The agency shall restore at its own expense any such crossings and intersections to their former state as near as may be, or in a manner not to have impaired unnecessarily their usefulness. Every company, municipality, or public agency whose right-of-way shall be intersected or crossed by those pipes, pipelines, canals, flumes, tunnels, or other conduits shall unite with the agency in forming these intersections and crossings and grant the rights necessary therefor to the agency.

Sec. 413. There is hereby granted to the agency the right-of-way for the location, construction, and maintenance of any and all of its works in, over, and across public lands of the state, not otherwise disposed of or in use, not in any case exceeding in length or width that which is necessary for the construction of the works and adjuncts or for the protection thereof. Whenever any selection of a right-of-way for those works or adjuncts thereto is made by the agency, the board shall transmit to the State Lands Commission, the Controller, and the recorder of the county in which the selected lands are situated, a plat of the lands so selected, giving the extent thereof and the uses for which the lands are claimed or desired, duly verified to be correct. If the State Lands Commission approves the selection so made, it shall endorse its approval upon the plat and issue to the agency a permit to use those rights-of-way and lands.

Sec. 414. The agency may, in addition to the other powers vested in it by this act, acquire, maintain, operate, and install recreational facilities or landscaping in connection with any dam, reservoir, flood control, or storm drainage facility or work of improvement, or other property owned or controlled by the agency, or in connection with any flood control or water conservation project in which the agency participates in the cost of construction, operation, or maintenance thereof or in the cost of land acquisition thereof.

Sec. 415. The agency may undertake engineering investigations and report on any existing or potential flood control, water supply,

or groundwater problems, in all or any portion of the agency, except that no study shall be conducted within the boundaries of those cities or agencies listed in Section 200 which relates to a power held by that city or agency without its consent or without authorization by a two-thirds vote of the board.

Sec. 416. By a two-thirds vote of the board, the agency may construct, operate, and maintain works to develop electric energy and transmission lines for the conveyance thereof. The power generated may be used by the agency for its own purposes, or for the production or transmission of water, but shall not be offered for sale directly by the agency to customers other than a public utility or public agency. The power to construct, operate, and maintain works to develop electric energy shall not include, and nothing in this act shall be construed to permit, the acquisition of property already employed in the generation of electric energy for public utility purposes, or the interference by the district in any existing contracts for the production or sale of electric energy, except by mutual agreement between the agency and the owner of that property, or the contracting parties.

Sec. 417. The agency may disseminate information to the public concerning the rights, properties, and activities of the agency.

CHAPTER 2. CONTRACTS WITH PARTICIPATING AGENCIES

Sec. 430. The agency may enter into contracts with any participating agency or with any municipality, public agency, or other political subdivision which thereby becomes a participating agency for any of the following purposes:

(a) The lease, purchase, or other acquisition by the agency of any of the works of the participating agency or of the state or the United States.

(b) The construction of works by the agency for the conservation, regulation, or transmission of water for the benefit of the participating agency, or for the generation and transmission of electric power, or for the furnishing or sale by the agency, the state, or the United States to the participating agency or by the participating agency to the agency of water or a water supply for any purpose; or for the assumption, by either the agency or the participating agency, as principal or guarantor or underwriter of indebtedness incurred on account of works or water furnished or sold to the district or participating agency.

(c) The sale, lease, or other disposition of water, water rights, and water storage facilities, or interests therein, by the agency or by the participating agency.

(d) The operation of works and the delivery of water by the agency or by the participating agency subject to the following:

(1) The works shall be operated in conformity with the vested rights and appropriations of each of its participating agencies having an interest therein.

(2) There shall be delivered to each participating agency all water to which the participating agency is entitled under the contract entered into by the agency and the participating agency.

(3) There shall not be delivered to any participating agency more water than the amount to which the participating agency is entitled under the contract entered into by the agency and the participating agency, without the prior written consent of the agency, except that the lease of water from any reservoir in the amount required to satisfy any vested right shall not constitute a delivery of water, and that any quantity of water assigned under Section 435 or released under Section 436 by one participating agency to another participating agency shall be delivered to the latter.

(e) The construction, operation, maintenance, and repair of flood control works and facilities.

Sec. 431. The agency may contract to sell, lease, or otherwise dispose of water or of any right to use the works of the agency for the conservation, control, or transportation of water, only to participating agencies or to agencies of the State of California and of the United States for use within the boundaries of the agency. The agency may fix rates and charges for those purposes. The agency may contract for those purposes with other parties only upon written approval of all participating agencies having right to the water or interest in the works for which a contract is being entered into.

Sec. 432. Notwithstanding any other provision of this act, the agency may suspend delivery of water conserved by the agency or obtained by, or on behalf of, the agency or participating agency to any participating agency during the period which the participating agency is delinquent in its payments for, or obligations due in respect of, that water under any contract entered into by it with the agency upon 30 days' written notice, except that no suspension of water shall be made unless the participating agency has been delinquent for a period of 90 days from the date of billing from the agency to the participating agency.

Sec. 433. (a) The liability of each participating agency, as distinguished from the liability of its taxpayers and property therein for taxes, or assessments levied by the agency for agency purposes, shall be limited to that portion of the total cost for water or water supply or to that portion of the total cost of construction and the operation and maintenance cost of works acquired or constructed by or on behalf of the agency or participating agency which the participating agency agrees to bear.

(b) The liability of each participating agency shall be set forth fully in a written contract which shall be legally approved by that participating agency in accordance with the laws governing the participating agency. No such contract shall be altered or modified without the consent of the agency and the legal approval of the participating agency.

(c) Each contract may provide, among other things, the following:

(1) The total capital obligation which the participating agency agrees to bear.

(2) The minimum annual payment which the participating agency shall make in amortization of its capital obligation.

(3) The quantity or pro rata portion of water which shall be delivered to, or held in storage for, the participating agency.

(4) The basis of allocation of operation and maintenance costs to be borne by the participating agency

(5) The quantity of water supply or water agreed to be acquired by, or furnished or sold to, the participating agency and the cost thereof to the participating agency.

(d) Each participating agency contract shall be fair and equitable to each contracting party, and no participating agency shall receive any undue advantage over any other participating agency having proper regard for all factors and conditions involved.

(e) Each participating agency contract shall be executed in accordance with the laws governing that participating agency.

Sec. 434. (a) In the event of any reduction in the principal of any debt of the agency underwritten by one or more participating agencies, other than by payment thereof, the amounts to be paid to the agency by each participating agency in amortization of its remaining portion of the debt shall be reduced proportionately so that the relative obligations of each participating agency shall be unchanged.

(b) In the event of any reduction in the rate of interest being paid on any part of a debt of the district for which one or more participating agencies are responsible, the amounts to be paid the agency by each participating agency shall be reduced proportionately so that the relative obligation of each participating agency remains unchanged in respect to its obligation to pay any remaining interest.

Sec. 435. Any participating agency may reduce its obligations under its contract with the agency by assignment to another participating agency of any part of its right to receive water under its contract, subject to the following:

(a) The assignment is legally approved, in accordance with the laws governing the participating agency, by each participating agency which is a party to the assignment.

(b) The total of all payments to be made by the participating entities to the agency shall not be reduced by virtue of the assignments.

(c) The assignor participating agency may be required by the agency to guarantee the payments assumed by the assignee participating agency.

Sec. 436. (a) Any participating agency may elect that any water to which it is entitled be held in storage in the agency's reservoirs if there is unfilled capacity in the reservoirs from which the water would otherwise be withdrawn for delivery to it. If two or more participating agencies desire simultaneously to store water and there

is not sufficient capacity to accommodate those participating agencies, the storage capacity shall be apportioned between them in accordance with the amount of capital cost of the reservoir they have respectively underwritten, or in accordance with the amount of water they have respectively contracted to purchase during the period of that storage.

(b) Any participating agency may release for the use of any other participating agency any amount of water which may then be held temporarily in storage for its account, and in that event, the agency shall deliver that water to the other participating agency, but that delivery shall be deemed to be for the account of the participating agency releasing the water.

Sec. 437. (a) If any capital asset of the agency is sold or otherwise disposed of, the net proceeds therefrom shall be distributed to the participating agencies, or applied against any liability of the participating agencies to the agency, as by contract may be provided, in a proportion which the amount contributed by each participating agency to the cost of the capital asset bears to the total cost of the capital asset.

(b) If any liability on the part of the agency or its participating agencies for the original cost or any subsequent improvement or refinancing of the capital asset is not completely extinguished at or before the time of the sale or other disposal thereof, the agency may apply as much of the proceeds of the sale toward the extinguishment of that liability as may be necessary. In extinguishing the liability, the proceeds of the sale shall be applied only as the interests and liabilities of the agency and its participating agencies shall appear.

CHAPTER 3. CONTRACTS WITH THE UNITED STATES AND OTHER AGENCIES

Sec. 450. (a) The agency may cooperate, act in conjunction, and contract with the United States, the state, municipalities, and public agencies of any kind, in the purchase and sale of water, the acquisition of water or a water supply, the construction of any works for the controlling of flood or storm waters in the agency, or for the protection of property, watersheds, watercourses, highways, and life, or for the purpose of conserving and transporting those waters for beneficial use, and for the use, operation, management, purchase, and ownership of the works. The agency also may make and perform any agreement with the United States, the state, any county, municipality, public agency, public corporation, person, or any combination of them for the acquisition, disposition, or operation of any property or works or water or water supply.

(b) Any county water district, water conservation district, municipality, flood control district, or other public agency or political subdivision of the state authorized by law to appropriate water and deliver water to users may (1) cooperate, act in conjunction, and contract with the agency for all the purposes for which the agency

is authorized to cooperate, act in conjunction, and contract with public agencies, municipalities, and political subdivisions, and (2) carry out the terms of those contracts.

Sec. 451. Notwithstanding any other provision of this act, the agency may contract with agencies of the state and the United States in all respects as the agency may contract with its participating agencies, except that any such contract with agencies of the state or the United States shall provide that any payment to be made to the agency shall be in advance of any service, delivery, construction, or use to be provided by the agency under the contract.

Sec. 452. The agency may cooperate and contract with the United States under the Federal Reclamation Act of 1902, and all acts amendatory or supplementary thereto, or any other act of Congress permitting cooperation or contracting for the purposes of constructing works, whether for irrigation, drainage, or flood control, or for the acquisition, purchase, extension, operation, or maintenance of the works, or for a water supply for any purpose, or for the assumption as principal or guarantor of indebtedness to the United States, or for carrying out any of the purposes of the agency, and may carry out and perform the terms of any contract so made. For those purposes the agency shall have, in addition to the powers expressly set forth in this act, all powers, rights, and privileges possessed by irrigation districts, as set forth in Chapter 2 (commencing with Section 23175) of Part 6 of Division 11 of the Water Code, not inconsistent with this act.

Sec. 453. (a) Each contract providing for repayment of the cost of any works, the purchase of any works, or for the payment for any water or water supply, which is entered into with the United States pursuant to this act, shall be authorized at an election, unless by a resolution adopted by a two-thirds vote of the members of the board, the board shall determine that all liabilities of the agency thereby incurred can be repaid and liquidated, both as to principal and interest, from revenue derived from taxes or special benefit assessments, or both, levied pursuant to this act or from payments to be made to the agency by participating agencies pursuant to written contracts which at the time of the board's determination provide for the payment of whatever amounts may be necessary to amortize the portion of that cost underwritten by the participating agencies or provide for the payment of whatever amounts may be necessary to pay the portion of the cost of any water or water supply to be furnished or sold to the participating agencies. Upon the adoption of that resolution the board may, on behalf of the agency, without the necessity of an election, enter into the repayment contract, contract for the purchase of any works, or contract for the purchase of water or a water supply with the United States, subject to all provisions of this act applicable to those contracts, except the provisions requiring an election to authorize the contracts.

(b) Notice of any election shall contain a statement of the maximum amount of money to be payable to the United States for

construction purposes and cost of water supply and acquisition of property, exclusive of penalties and interest, and a general statement of the property, if any, to be conveyed by the agency pursuant to the contract.

(c) The ballots at any election shall contain a brief statement of the general purpose of the contract substantially as stated in the notice of election and the extent of the obligation to be assumed, with the words "Contract—Yes" and "Contract—No" or "Contract and bonds—Yes" and "Contract and bonds—No," whichever may be applicable. A favorable majority of two-thirds of the votes cast at the election shall be necessary to authorize the execution of the contract or issuance of the bonds, or both, except as set forth in subdivision (a).

Sec. 454. (a) All payments to the United States under any contract between the agency and the United States, including payments of interest and principal on bonds deposited with or transferred to the United States, shall be paid so far as possible from revenue other than that derived from agency taxes and assessments, unless otherwise provided by the contract or this act, and the balance, if any, of those payments shall be paid from revenue derived from annual taxes upon all taxable property within the agency assessible for agency purposes under the laws of the state and assessments levied pursuant to this act, and the property shall be and remain liable to be assessed and levied upon for the payments.

(b) Public land of the United States within the agency shall be subject to assessment and tax for all purposes of contracts with the United States to the extent provided by the Act of Congress approved August 11, 1916, entitled "An act to promote reclamation of arid lands," or any other law which may be enacted by Congress, upon full compliance therewith by the agency.

(c) All money collected pursuant to the contract with the United States shall be deposited to the credit of the agency and held in a fund to be known as the "United States Contract Fund" to be used for payments due to the United States under the contract.

CHAPTER 4. RULES AND REGULATIONS

Sec. 460. (a) All ordinances, resolutions, and other legislative acts of the agency shall be adopted by the board, and certified to, recorded, and published, in the same manner, except as otherwise expressly provided in this act, as are ordinances, resolutions, or other legislative acts for the county.

(b) The initiative and referendum powers are hereby granted to the voters of the agency to be exercised in relation to the enactment or rejection of agency ordinances in accordance with the procedure established for the exercise of those powers in relation to counties.

Sec. 461. The board may adopt, by ordinance, reasonable rules and regulations to implement this act. Violation of any provision of the rules and regulations of the agency or any ordinance of the

agency shall constitute a misdemeanor.

PART 5. FINANCIAL PROVISIONS

CHAPTER 1. FUNDS AND ACCOUNTS

Sec. 500. Any funds of the agency may be deposited or invested and drawn out as provided in Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code. References in that chapter to "treasurer" shall mean the treasurer of the agency. Funds of the agency may also be deposited in the county treasury subject to disbursement as county funds are disbursed, except that the disbursal shall be pursuant to the provisions of this act, under the direction of the county treasurer or any other fiscal officer appointed by the board.

Sec. 501. The agency may establish and maintain any separate funds and accounts which it deems necessary in carrying out its powers and purposes under this act.

Sec. 502. The agency may make any transfers, for the purposes of a loan, from one fund to another fund of the agency, or from one fund to another fund of a zone, upon terms and conditions that the board deems appropriate and to the extent permitted by law.

Sec. 503. The fiscal officer appointed by the board, or in the absence of any such appointment, the county treasurer may invest any funds of the agency or zone in any security, debenture, bond, or deposit permitted by law for the investment of funds of a political subdivision of the state.

CHAPTER 2. CONTRIBUTION OF FUNDS

Sec. 510. (a) The agency may expend any or all of its funds as contributions in aid of any of the following:

(1) The construction or payment of the cost of works.

(2) The purchase or obtaining of water or a water supply.

(3) The payment of any liabilitity assumed as principal, guarantor, or underwriter on any indebtedness in connection with that construction, payment, purchase, or obtaining, if the works are constructed or the water or water supply is obtained for, or on behalf of, the agency or its participating agencies.

(b) Unless, by resolution adopted by a two-thirds vote of the members of the board, the board determines that facts exist which make a different allocation preferable in the best interests of the agency, the contributions in aid of construction or of the payment of works or any liability assumed in connection therewith shall be in proportion to and for the same purposes as payments made in the same year by each participating agency in amortization of a portion of the cost of the works, and the contributions in aid of the purchase or obtaining of water or a water supply or any liability assumed in connection therewith shall be in proportion to and for the same

purposes as payments made in the same year by each participating agency.

Sec. 511. (a) Regardless of any other provision of this act, if in the judgment of the board the cost and expense of a supply of water to any participating agency is greater than the ability of that participating agency to pay, and the board finds that a supply of water to that participating agency will be of general benefit to the agency, the board may by a two-thirds vote of its members direct the agency to contribute from whatever funds may be available financial assistance to the extent that the board determines the agency as a whole will be benefited. For the foregoing purpose, the board may contract with the participating agency or with the United States, the state, or any public agency supplying water or contracting to supply water to the participating agency, to make that contribution and assistance annually for such period of time as the board may determine, not to exceed 40 years.

(b) In addition to any other revenues that may be available to the agency, not otherwise designated for any other purpose, the board may raise revenues as provided in this act for the purpose of raising sufficient moneys to pay this contribution of financial assistance.

Sec. 512. The agency shall cause to be prepared on its behalf, by an independent auditor, quarterly financial statements and an annual audit disclosing the financial information of the agency which shall promptly be made available to all participating agencies.

CHAPTER 3. GENERAL BOND PROVISIONS

Sec. 520. Any defect or irregularity in the proceedings in the calling or conduct of a bond election shall not affect the validity of the bonds authorized by the election.

Sec. 521. The board shall, pursuant to this act, prescribe by resolution the form of the bonds, which shall include a designation of the agency, zone, or participating zone affected, and of the interest payable on bonds. The interest on the bonds shall be payable annually or semiannually at the discretion of the board each and every year on a day and date at a place or places to be fixed by the board and designated in the bonds.

Sec. 522. The board may divide the principal amount of any issue into two or more series and fix different dates for the bonds of each series. The bonds of one series may be made payable at different times from those of another series. The maturity of each series shall comply with this section. The board may fix a date not more than two years from the date of issuance for the earliest maturity of each issue or series. The maximum term of the bonds to be issued shall not exceed 40 years.

Sec. 523. The bonds shall be issued in denominations as determined by the board.

Sec. 524. The principal on the bonds shall be payable on the date and at the place fixed in the bonds, and at the interest rate specified

in the bonds, and shall be made payable annually or semiannually.

Sec. 525. The bonds shall be registered, numbered consecutively, contain an identification number, and shall be signed by the chairperson of the board and countersigned by the county treasurer or other fiscal officer of the agency, and the seal of the agency shall be affixed thereto. Either or both signatures may be printed, engraved, or lithographed.

Sec. 526. The proceeds from the sale of the bonds shall be paid into the agency treasury, placed to credit of the project fund, and expended only for the purpose for which the bonds were issued.

In the alternative, the proceeds of the sale of the bonds may be placed in the treasury of the county to the credit of the agency and the respective zone, or participating zones thereof, for the uses and purposes of the agency, zone, or participating zones. The proper record of the transaction shall be placed upon the books of the county treasurer, and the bond proceeds shall be applied exclusively to the purposes and objects mentioned in the resolution calling for the bond election, subject to this act.

Payments from bond proceeds shall be made upon demands prepared, presented, allowed, and audited in the same manner as demands upon the funds of the agency. Unexpended bond proceeds may be invested in any manner permitted by law for agency investments, and any interest earned thereon shall be credited to the project fund and expended only for the purpose for which the indebtedness was created, including, but not limited to, operation and maintenance of the project.

Sec. 527. Whenever bonds have been authorized by the agency, the proceeds of the sale thereof have been expended as authorized, and the board, by resolution, determines that additional bonds shall be issued for carrying out any of the purposes of this act, the board may again proceed as provided in this act for the issuance of additional bonds.

Sec. 528. The board may, by resolution, determine that new bonds should be issued for the purpose of refunding any or all of the outstanding bonds of the agency or any zone or participating zone. The procedure to issue refunding bonds shall be the same as the procedure used to issue the original bonds to be refunded. The refunding bonds may be issued and sold in the manner and form prescribed for an original issue of bonds, and may, if the holders of bonds of an original issue and the board so agree, be exchanged for the original bonds. The face value of the refunding bonds so exchanged shall not exceed the face value of the original bonds. The board may raise money to pay principal and interest of the refunding bonds in the same manner as prescribed for the payment of bonds of an original issue.

Sec. 529. Any bonds, original or refunding, may be made callable by resolution of the board adopted at, or prior to, the time of issuing the bonds, and providing for the calling and redemption of the bonds in any manner provided therein on any interest payment date prior

to their stated maturity, at a premium not to exceed 6 percent above the par value thereof and accrued interest. If any bonds are so made callable, a statement to that effect shall be set forth on the face of the bond.

Notice of any redemption shall be published in the agency pursuant to Section 6063 of the Government Code. The first publication of the notice shall be not less than 30 nor more than 90 days prior to the date for the redemption.

After the date fixed for the redemption, if the agency has provided funds for payment of the principal and interest of the bonds so called, interest on the bonds shall thereafter cease.

Sec. 530. (a) The bonds may be sold at public or private sale at the determination of the board.

(b) The manner of making, submitting, and opening bids, and conducting the sale, and the terms thereof, if the sale is public, shall be determined by the board. The board may reject any and all bids which in the judgment of the board are not in the best interest of the agency. If no bids are received, or if all bids are rejected, the board may either readvertise or sell the bonds at private sale.

Sec. 531. If a proposition for issuing bonds submitted at any election under this act fails to receive the requisite number of votes of the eligible voters voting at the election to incur the indebtedness for the purpose specified, the board shall not, for six months after the election, call or order another election in the same area for incurring indebtedness and issuing bonds under this act for the same objects and purposes.

Sec. 532. Any bonds issued under this act shall be free and exempt from all taxation within the State of California. It is hereby declared that the agency is a local government within the meaning of Section 26 of Article XIII of the California Constitution.

Sec. 533. Any bonds issued under this act shall be legal investments for all trust funds, and for the funds of all insurance companies, banks, and trust companies, for state school funds, and whenever any money or funds may by law now or hereafter enacted be invested in bonds of cities, cities and counties, counties, school districts, or municipalities in the State of California, the money or funds may be invested in bonds of the agency, issued in accordance with this act, and whenever bonds of cities, cities and counties, counties, school districts, or municipalities may, by law now or hereafter enacted, be used as security for the performance of any act, the bonds of the agency may be so used.

Sec. 534. The repeal or amendment of this act, or the dissolution or change in the boundaries of the agency or any zone or participating zone shall not in any way affect or release any of the land in the agency or zone from its liability on or from the obligations of any outstanding bonds or indebtedness or contracts for which the land is in any way security, until all of the bonds and outstanding indebtness and contracts have been fully paid or discharged.

Sec. 535. This chapter shall apply to the issuance of all bonds

issued in accordance with this act.

CHAPTER 4. IMPROVEMENT BONDS

Sec. 540. The agency may issue improvement bonds in accordance with, and pursuant to, the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code), or the Refunding Assessment Bond Act of 1935 (Chapter 732 of the Statutes of 1935).

CHAPTER 5. MELLO-ROOS BONDS

Sec. 550. The agency shall have all the powers authorized by the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code).

CHAPTER 6. SPECIAL BENEFIT BONDS

Sec. 560. The board may determine that a bonded indebtedness should be incurred to pay the cost of any project which will confer a special benefit on the agency as a whole, or a special benefit on any zone or participating zone. The principal of, and interest on, the special benefit bonds shall be paid by revenue derived from an annual benefit assessment levied on the land benefited by the project for which the bonds were issued in the manner set forth in Chapter 1 (commencing with Section 700) of Part 7.

Before adopting a resolution issuing special benefit bonds, the board shall adopt a resolution of intention stating the intention to issue the special benefit bonds, the proposed amount of the bonds, the proposed denomination and maximum rate of interest of the bonds, a description of the proposed project for which the bonds shall be issued, and a description of the area which shall receive a special benefit from the proposed project and in which special assessments shall be levied to pay the principal and interest on the bonds.

The resolution shall also state the time and place for a hearing by the board on the proposal, at which time any interested person may appear and be heard.

Sec. 561. Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the agency, pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

The hearing may be consolidated with a hearing on any other proposal affecting the same area. At the time and place so fixed, or

at any time or place to which the hearing is continued, the board shall hold the hearing provided for by the resolution, at which time any interested person may appear and be heard concerning any matter set forth in the resolution or any matter material thereto.

Upon the conclusion of the hearing, the board may abandon the proposal, or order the election on the proposal within the area affected.

The notice and hearing requirements in this chapter may be consolidating with any notice and hearing requirements undertaken by the district pursuant to Part 7 (commencing with Section 700).

Sec. 562. If the board determines by a resolution duly adopted by a two-thirds vote of the members of the board that a bonded indebtedness to pay the cost of acquisition or construction of any works for any of the purposes of the agency or refunding any outstanding bonds should be incurred and can be repaid and liquidated as to both principal and interest from revenues derived from special benefit assessments or taxes, or both, levied pursuant to this act and from payments required to be made to the agency by participating agencies pursuant to written contracts providing for the payment of whatever amounts may be necessary to amortize the portion of the cost underwritten by those participating agencies, the board may issue bonds of the agency in such amounts as can be so repaid and liquidated. Thereafter the board may issue bonds without the necessity of an election, subject to all applicable provisions of this act pertaining to bonds and bonded indebtedness, except provisions requiring authorization of bonded indebtedness by an election.

Sec. 563. Any bonds issued under this chapter, and the interest thereon, shall be paid solely by revenue derived from taxes and special benefit assessments levied as provided in this act or from payments under contracts with participating agencies, or both. No zone nor the property therein shall be liable for the bonded indebtedness of any other zone, nor shall any moneys derived from special assessments or taxes in any of the several zones be used in payment of principal, or interest, or otherwise, of the bonded indebtedness chargeable to any other zone.

CHAPTER 7. REVENUE BONDS

Sec. 565. If the board, by resolution, determines that bonds to pay for the acquisition or construction of any project or work for any purposes of the agency, zone, or participating zone or for refunding any outstanding bonds, should be issued and can be repaid and liquidated as to both principal and interest from revenues designated by the board, the agency may define the project or work as an "enterprise" consistent with the definition in Section 54309 of the Government Code, and issue revenue bonds all in the manner of and as provided in the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code). For that purpose the agency is a "local

agency," as defined in Section 54307 of the Government Code. If the project or work is determined by the board to be for a zone or zones comprising less than all the agency, the election at which the proposition to issue the revenue bonds is submitted shall be held only in the zone or zones. Proceeds from the sale of any such revenue bonds shall be expended only in the zone or zones in which the proposition to issue the revenue bonds is approved.

Sec. 566. (a) Notwithstanding Section 565, and subject to the requirements of subdivisions (b) and (c), if the board makes the determination authorized in Section 565, and each participating agency which would provide all or a portion of the revenues to repay the bonds to be issued also makes that determination by resolution, the agency may define the project or work as an "enterprise" consistent with the definition in Section 54309 of the Government Code, and issue revenue bonds all in the manner of and as provided in the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), except those provisions requiring authorization of the revenue bonds by election. For that purpose the agency is a "local agency," as defined in Section 54307 of the Government Code.

(b) The board may proceed under this section for the issuance of bonds to pay for the refinancing, purchase, reconstruction, replacement, acquisition, or improvement of all or any part of the reservoirs, dams, conduits, appurtenances, and improvements necessary or related to the Noonan Reservoir project and the Solano project.

(c) The board may also proceed under this section for projects other than those set forth in subdivision (b), if it has submitted to the qualified voters of the agency at a special election called by a resolution of the board a proposition as to whether the agency may authorize and sell revenue bonds under this section. If a majority of the voters of the agency voting on the proposition at the election vote in favor of the proposition, the board may proceed to issue and sell revenue bonds as provided by this section for any purpose of the agency or zone. If the proposition fails to carry at the election, the proposition shall not again be voted upon until at least six months have elapsed since the date of the last election at which the proposition was submitted. The resolution calling the election shall fix the date on which the election is to be held, the proposition to be submitted, the manner of holding the election and of voting for or against the proposition, and shall state that in all other particulars, the election shall be held and the votes canvassed as provided by law for the holding of elections within the agency. The election may be held separately or may be consolidated with any other election authorized by law at which the voters of the agency may vote. The resolution calling the election shall be published and no other notice of the election need be given.

CHAPTER 8. SHORT-TERM BORROWING

Sec. 570. The agency may borrow money and incur indebtedness in the manner set forth in this chapter by action of the board, and without the necessity of calling and holding an election in the agency. Funds borrowed pursuant to this chapter may be paid through the agency's existing operating income. If any financing is necessary for repayment of funds borrowed, the agency shall obtain financing pursuant to the provisions of this act, including provisions requiring an election in the agency, if applicable.

Sec. 571. Indebtedness may be incurred pursuant to this chapter for any purpose for which the agency is authorized to expend funds.

Sec. 572. Indebtedness incurred under this chapter shall be evidenced by warrants or notes of the agency payable not to exceed 15 years from their date and bearing interest at a rate not to exceed the maximum interest permitted for the sale of bonds of the agency.

Sec. 573. The warrants or notes shall be issued by the agency after the adoption by a two-thirds vote of all of the members of the board of a resolution setting forth the form of the warrants or notes, the maturity date of dates thereof, and the manner of execution thereof, except that if less than two hundred fifty thousand dollars ($250,000) shall be incurred, a majority vote of the board shall be sufficient to adopt the resolution.

Sec. 574. The board may, in its resolution, provide that the warrants or notes shall be subject to call and redemption prior to their stated maturity, at the option of the agency, at such price as may be fixed in the resolution, not exceeding a premium of 6 percent of the par value of the warrants so subject to redemption. The resolution shall fix a method of giving notice of redemption to the holders of warrants to be redeemed and the price at which the warrants shall be subject to redemption. Warrants so subject to call and redemption prior to maturity shall contain a recital to that effect on their face.

Sec. 575. The warrants issued may be offered for private or public sale. Any public sale shall be upon notice inviting sealed bids therefor. The notice shall be given by publication once in a newspaper of general circulation in the county, and the sale shall not be held before 10 days after publication. The board may reject all bids received on public sale and either readvertise or sell the warrants at private sale. The agency may sell the warrants at a price below par value not to exceed 6 percent of the par value thereof.

CHAPTER 9. COUNTY FUNDING

Sec. 580. For the purpose of supplementing the general operating revenues of the agency, upon request made by the board, the board of supervisors may grant funds from the county general fund to the agency without reimbursement from the agency, for use for any purpose of the agency for which the county is itself

authorized to expend funds, and including, but not limited to, expenses incurred or estimated to be incurred during the next fiscal year for each of the following:

(a) The administration of the agency.

(b) The preparation of a comprehensive water resources and drainage management plan for the agency for coordinating and managing the supply and distribution of water for all beneficial uses within the agency and for coordinating and managing the control and disposal of drain, flood, and storm water within the agency, and the formation of zones within the agency for those purposes.

(c) The acquisition, development, distribution, and sale of water to the inhabitants of the agency for all beneficial uses, including the acquisition of water rights by purchase or condemnation and the acquisition, construction, repair, operation, and maintenance of works therefor.

(d) The acquisition, construction, repair, operation, and maintenance of works for control and disposal of drain, storm, and flood water within the agency.

Sec. 581. The agency shall keep any county funds received pursuant to Section 580 in a separate account and, upon demand of the county, shall demonstrate that all expenditures made therefrom were used only for the purposes enumerated in this chapter.

CHAPTER 10. TAXING AUTHORITY

Sec. 585. The agency shall have the power as provided by law to cause taxes to be levied for the purpose of paying any obligation of the agency and to accomplish the purposes of the agency and of this act.

Sec. 586. The provisions of the law of this state, prescribing the priority, time, and manner of levying, assessing, equalizing, and collecting county property taxes, including the sale of property for delinquency, and the redemption from that sale, and the duties of the several county officers with respect thereto, are, so far as they are applicable, and not in conflict with the specific provisions of this act, hereby adopted for the agency and made a part hereof. The officers shall be liable upon their several official bonds for the faithful discharge of the duties imposed upon them by this act.

PART 6. ZONES

CHAPTER 1. FORMATION OF ZONES

Sec. 600. Improvement districts may be formed in the agency in the same manner as improvement districts are formed in irrigation districts under Part 7 (commencing with Section 23600) of Division 11 of the Water Code. In the alternative, improvement districts may be formed in the same manner as zones of benefit.

Assessment districts may also be formed in the agency under the

Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code), and the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code). Improvement districts and assessment districts may be formed within the boundaries of any zone of benefit.

Sec. 601. If at any time it is desired to annex land to, or detach land from, a zone, a petition for that purpose signed by 100 percent of the record owners of the land to be annexed or detached shall be filed with the board, which shall commence proceedings thereon. In the alternative, the board may initiate a proposal for a zone annexation or detachment. The board shall conduct a hearing on the proposal with the same notice and in the same manner as the hearing on the affected zone. For purposes of protests and an election on the proposal, the affected area shall consist of the land to be annexed to, or detached from, the zone. The board may prescribe any reasonable condition to which the annexation or detachment shall be subject, if approved.

Sec. 602. The board may establish zones of benefit within the agency without reference to the boundaries of other zones. The land comprising a zone of benefit need not be contiguous. A zone of benefit shall be established only with respect to a project for the benefit of the zone of benefit, and proceedings for the establishment of the zone of benefit may be conducted concurrently with, and as a part of, proceedings for the instituting of projects relating to the zone of benefit, the issuance of special benefit bonds, and the levy of benefit assessments.

Sec. 603. Whenever the board determines that a zone of benefit should be formed for the purposes set forth in this chapter, the board shall adopt a resolution of intention which shall state the following:

(a) The intention of the board to form the proposed zone of benefit.

(b) The purpose for which the proposed zone of benefit is to be formed and a finding that the participating agencies within the zone of benefit participating in the proposed facility or activity have consented to formation of the zone.

(c) The estimated expense of carrying out the purpose.

(d) That the special benefit assessment levied for carrying out the purpose shall be levied exclusively upon the lands in the proposed zone of benefit.

(e) That a map showing the exterior boundaries of the proposed zone of benefit, which map shall govern for all details as the extent of the proposed zone of benefit, is on file with the agency secretary and is available for inspection by any interested person or persons.

(f) The time and place for a hearing by the board on the formation of the proposed zone of benefit, the extent thereof, the purpose for which it is to be formed, the benefit to land within the proposed zone of benefit from carrying out that purpose, the estimated expense of carrying out that purpose, if known, and any other matter relating

to any of the foregoing.

(g) That at a time and place specified any interested person, including all persons owning land in the agency or in the proposed zone of benefit, may appear and be heard.

Sec. 604. Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the agency, pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

Sec. 605. At the time and place so fixed, or at any time or place to which the hearing is continued, the board shall hold the hearing provided for by the resolution of intention, at which time any interested person may appear and be heard concerning any matter set forth in the resolution of intention or any matters material thereto. Upon the conclusion of the hearing, the board may abandon the proposal, modify it, order an election on the proposal, or proceed with the proposal to create the zone without an election, unless, prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by more than 25 percent of the number of landowners within the proposed zone of benefit are filed with the board, in which case, an election shall be held on the proposal. If prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by more than 50 percent of the number of landowners within the proposed zone of benefit filed with the board, further proceedings relating to the proposal shall be suspended for not less than six months following the date of the conclusion of the hearing.

Sec. 606. At the conclusion of the hearing, the board may, by resolution, order the zone of benefit formed for the purpose and with the exterior boundaries described therein. The resolution ordering formation shall state the estimated expense of carrying out the purpose described therein. The resolution shall also number and designate the zone of benefit substantially as "Zone of Benefit Number _____ of the Solano County Water Agency."

Sec. 607. Notwithstanding any other provision of this act, the governing body of any participating agency at any time after the location and extent of zones and the percentages to be raised therefrom in each of the zones for the purpose of assessment have been finally fixed and determined by the board, but before the calling of any bond election if one is to be held, may, with the consent of the board, enter into a contract with the agency to pay to the agency for the benefit of the bond fund thereof, if a bond issue is to be authorized and bonds are to be issued, an amount which shall be equal to the total amount assessed against all zones situated entirely within the participating agency. Thereupon the charges against the zone or zones shall be canceled to the extent of that amount so agreed to be paid, and thereafter the voters residing within the zone or zones shall not be entitled to vote at any election held for the purpose of issuing bonds which would be repaid by the charges. The

contract shall contain such other or additional provisions as the board shall deem necessary or advisable in order to protect the interest of the agency and to substitute the contract in lieu and instead of the assessments which would have been levied within the participating agency or agencies.

CHAPTER 2. SELECTION OF PROJECTS

Sec. 610. The board shall determine which projects shall be carried out and shall determine, as to each project, that it is either: (1) for the common benefit of the agency as a whole, (2) for the benefit of a single zone, whether in existence or not, or (3) for the common benefit of participating zones, whether in existence or not.

Sec. 611. The agency may institute agencywide projects, projects for single zones, and joint projects for participating zones for studying, planning, financing, constructing, acquiring, maintaining, operating, extending, or repairing any work of common benefit to the agency as a whole, to the zone, or to the participating zones, as the case may be. All powers of the agency may be exercised or performed on behalf of and within a zone. Before proceeding with any project, the board shall adopt a resolution of intention setting forth the proposed boundaries, designating the benefited area, and stating its intention to undertake the project, together with an estimate of the cost of the project to be borne by the agency as a whole, or a particular zone, or participating zones, as the case may be, and fixing a time and place for public hearing on the resolution. The resolution shall refer to a map or maps showing the general location of the project and shall generally describe the project. Notice of the hearing shall be given in the same manner as for a resolution of intention to form a zone of benefit. The proceedings on the resolution proposing the project may be consolidated with the proceedings on a resolution proposing formation of a zone of benefit.

Sec. 612. The hearing may be consolidated with a hearing on the formation of a zone of benefit, the issuance of special benefit bonds, or the levy of benefit assessments affecting the same geographic area. At the time and place so fixed, or at any time or place to which the hearing is continued, the board shall hold the hearing provided for by the resolution, at which time any interested person may appear and be heard concerning any matter set forth in the resolution or any matters material thereto. Upon the conclusion of the hearing, the board may abandon the proposal, modify it, order an election on the proposal within the area affected, or proceed with the proposal without an election, unless, prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by more than 25 percent of the number of landowners within the affected area are filed with the board, in which case, an election shall be held on the proposal. If prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by more than 50 percent of the number of landowners within the

affected area are filed with the board, further proceedings relating to the proposal shall be suspended for not less than six months following the date of the conclusion of the hearing.

PART 7. ASSESSMENTS

CHAPTER 1. BENEFIT ASSESSMENTS

Sec. 700. The agency may levy benefit assessments on an agencywide basis or within any zone or participating zone. The benefit assessment may be levied in any manner which reasonably reflects the benefit that will accrue to the area being assessed for the purpose of the assessment, including, but not limited to, per acre or fraction thereof bases, or for benefit assessments related to drain, storm, or flood control purposes, the proportionate water runoff from each parcel assessed.

Sec. 701. (a) Benefit assessments may be levied for expenditures made, or expenditures estimated to be required during the next calendar or fiscal year, for any lawful purpose of the agency, including, but not limited to, the following purposes:

(1) The administration expenses of the agency.

(2) The formation and administration expenses of any zone.

(3) Engineering and other expenses in connection with the investigation and preparation of a resource management plan or plan for any work or project.

(4) Acquisition or construction of any work or project.

(5) Operation and maintenance of any work or project.

(6) Payment of principal and interest on any bonds issued by the agency.

(b) The revenues derived from the special benefit assessment shall be used for no purpose other than the purpose specified in the resolution at the time of levy of the assessment.

Sec. 702. The board may adopt a resolution of intention to levy an assessment on land only. The resolution shall set forth the proposed amount of the special benefit assessment, manner of levy, purpose of the proposed assessment, the duration of the district's authority to levy the benefit assessment for the stated purpose, and shall designate by a map or otherwise the boundaries of the area proposed for assessment, and shall designate a time and place of hearing on the resolution.

Sec. 703. Notice of the hearing shall be given by publishing a copy of the resolution of intention in a newspaper of general circulation published in the agency pursuant to Section 6066 of the Government Code, the first publication to be at least 14 days prior to the time fixed for the hearing.

Sec. 704. At the time and place so fixed, or at any time or place to which the hearing is continued, the board shall hold the hearing provided for by the resolution, at which time any interested person may appear and be heard concerning any matter set forth in the

resolution or any matters material thereto. Upon the conclusion of the hearing, the board may terminate further proceedings on the proposed assessment, modify the proposed assessment, order an election on the assessment within the area to be assessed, or levy the assessment without an election, unless, prior to the conclusion of the hearing, or any continued hearing, written protests against the proposal signed by more than 25 percent of the number of landowners within the area affected are filed with the board, in which case, an election shall be held on the proposal. If an election is held, a majority vote in favor of the benefit assessment shall be required to approve the proposed benefit assessment. If 12 or more registered voters reside within the area to be assessed, the vote shall be by the registered voters with each voter having one vote. Otherwise, the vote shall be by the landowners with each landowner having one vote for each acre of land or portion of an acre of land that he or she owns within the area. The proposal may take effect without a vote if there are less than 12 registered voters and a petition or other written consent to the levy of the assessment, executed by owners of at least 60 percent in area of the lands within the area to be assessed, is filed with the board during the hearing or any continued hearing. If, prior to the conclusion of the hearing, written protests against the proposal signed by more than 50 percent of the number of the landowners within the affected area are filed with the board, further proceedings relating to the proposal shall be suspended for not less than six months following the date of the conclusion of the hearing.

Sec. 705. After its approval, the benefit assessment shall be levied, collected, and enforced at the same time and in the same manner as county taxes.

Sec. 706. The agency may levy a special assessment pursuant to this part on property in any participating agency whenever that participating agency is delinquent in any payment due the agency by the participating agency under any contract entered into by them. The agency may levy these assessments regardless of whether or not written protests against the proposed assessment signed by a majority in number of the eligible voters within the area to be assessed shall be filed with the board.

CHAPTER 574

An act to add and repeal Section 69765.5 of the Education Code, relating to postsecondary education, and making an appropriation therefor.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares the following:

(1) As of 1988, California's postsecondary students have borrowed more than five billion dollars ($5,000,000,000) in guaranteed loans, of which approximately five hundred million dollars ($500,000,000) is in default and has yet to be repaid.

(2) In response, the Student Aid Commission continues to implement a comprehensive approach to reducing student loan default, which includes efforts both to inform students about their responsibilities in repaying loans and to encourage defaulted borrowers to reestablish compliance with the terms and conditions of their loans.

(3) Critical to reducing default rates is the ability of the commission to locate defaulted borrowers, in order to make arrangements for the satisfactory repayment of student loans.

(4) A statewide guaranteed student loan amnesty program would provide defaulted borrowers with an opportunity to come forward, without penalty, for the purpose of establishing a revised repayment plan with the commission, and would thereby help to reduce California's default rate.

(b) It is the intent of the Legislature, pursuant to this act, to implement a statewide outreach program intended to inform borrowers of their duties and obligations on student loans, and to encourage defaulted borrowers to make arrangements with the Student Aid Commission to retire their debts.

SEC. 2. Section 69765.5 is added to the Education Code, to read:

69765.5. (a) The commission, with the cooperation of lenders and credit reporting agencies, shall develop and implement a state guaranteed student loan amnesty program that would allow a borrower who has defaulted on one or more loans guaranteed by the commission, and who has not already made repayment arrangements approved by the commission, to establish compliance with the loan or loans through a negotiated repayment plan under terms and conditions established by the commission in accordance with applicable requirements of federal and state law. The program shall include, but not necessarily be limited to, the following:

(1) An extensive outreach effort, including a media campaign, designed to inform borrowers and the general public of the

availability of the program. The outreach effort shall continue through the duration of the amnesty period.

(2) An amnesty period of not more than 180 days.

(b) The commission shall consult with lenders and credit reporting agencies to develop guidelines and procedures for the reporting of information to consumer credit reporting agencies concerning borrowers who participate in the amnesty program.

(c) The commission, lenders, and credit reporting agencies shall examine and develop incentives to encourage defaulted borrowers to participate in the amnesty program.

(d) As to any borrower who complies with the requirements of a repayment plan, as described in subdivision (a), for a period of 12 months following the establishment of the plan, or who provides full repayment of the loan, the commission shall do all of the following:

(1) Report, to any institution of higher education that has requested certification of financial aid eligibility pursuant to federal statutes and regulations under Title IV of the Higher Education Act of 1965, or any extension thereof, that the borrower has made satisfactory repayment arrangements.

(2) Restore to the borrower any eligibility for student financial assistance under programs administered by the commission that was forfeited as a result of his or her default under the original guaranteed student loan.

(3) Report to appropriate public institutions of higher education that, for purposes of the borrower's eligibility for institutional services under subdivision (b) of Section 66022, reasonable progress has been made to repay the loan.

(e) If any borrower fails to comply with a repayment plan, as described in subdivision (a), the commission shall withdraw the borrower from the amnesty program and take all reasonable steps to compel repayment of the loan.

(f) For purposes of this section, "default" is deemed to have the meaning applied to that term under the federal Guaranteed Student Loan Program (20 U.S.C. Sec. 1071 et seq.).

(g) This section shall apply to the extent that its provisions do not conflict with Title IV of the Higher Education Act of 1965, or any extensions thereof, or any other act of Congress, or with any rules or regulations adopted under that authority.

(h) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

SEC. 3. The sum of seventy-five thousand dollars ($75,000) is hereby appropriated from the State Guaranteed Loan Reserve Fund to the Student Aid Commission without regard to fiscal year for the purpose of funding the guaranteed student loan amnesty program established pursuant to Section 69765.5 of the Education Code.

CHAPTER 575

An act to amend Section 35401 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 35401 of the Vehicle Code is amended to read:

35401. (a) Except as provided in subdivisions (b), (c), and (d), no combination of vehicles coupled together, including any attachments, shall exceed a total length of 65 feet.

(b) A combination of vehicles coupled together, including any attachments, which consists of a truck tractor, a semitrailer, and a trailer, shall not exceed a total length of 75 feet, provided that the length of neither the semitrailer nor the trailer in the combination of vehicles exceeds 28 feet 6 inches.

(c) A tow truck in combination with any of the following vehicles authorized to travel on the highway by this chapter is exempt from subdivision (a) when operating under a valid annual transportation permit and within a 100 mile radius of the location specified in the permit:

(1) A disabled vehicle.

(2) An abandoned vehicle.

(3) A disabled or abandoned combination of vehicles.

A tow truck in combination with the above vehicles may exceed the 100-mile radius restriction if a single trip permit is obtained from the Department of Transportation.

(d) Any city or county may, by ordinance, prohibit a combination of vehicles of a total length in excess of 60 feet upon highways under its respective jurisdiction. The ordinance shall not be effective until appropriate signs are erected indicating either the streets affected by the ordinance or the streets not affected, as the local authority determines will best serve to give notice of the ordinance.

(e) Any city or county, upon a determination that a highway or portion of highway under its jurisdiction cannot, in consideration of public safety, sustain the operation of trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400, may, by ordinance, establish lesser distances consistent with the maximum distances that the highway or highway portion can sustain, except that a city or county shall not restrict the kingpin to rearmost axle measurement to less than 38 feet on those highways or highway portions. Any city or county considering the adoption of an ordinance shall consider, but not be limited to, consideration of, all of the following:

(1) A comparison of the operating characteristics of the vehicles

to be limited as compared to operating characteristics of other vehicles regulated by this code.

(2) Actual traffic volume.

(3) Frequency of accidents.

(4) Any other relevant data.

In addition, the city or county may appoint an advisory committee consisting of local representatives of those interests which are likely to be affected and shall consider the recommendations of the advisory committee in adopting the ordinance. The ordinance shall not be effective until appropriate signs are erected indicating the highways or highway portions affected by the ordinance.

This subdivision shall only become operative upon the adoption of an enabling ordinance by a city or county.

(f) Whenever in the judgment of the Department of Transportation, any state highway cannot, in consideration of public safety, sustain the operation of trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400, the director, in consultation with the Department of the California Highway Patrol, shall compile data on total traffic volume, frequency of use by vehicles covered by this subdivision, accidents involving these vehicles, and other relevant data to assess whether these vehicles are a threat to public safety and should be excluded from the highway or highway segment. The study, containing the conclusions and recommendations of the director, shall be submitted to the Secretary of the Business, Transportation and Housing Agency. Unless otherwise notified by the secretary, the director shall hold public hearings in accordance with the procedures set forth in Article 3 (commencing with Section 35650) of Chapter 5 for the purpose of determining the maximum kingpin to rear axle length, which shall be not less than 38 feet, that the highway or highway segment can sustain without unreasonable threat to the safety of the public. Upon the basis of the findings, the Director of Transportation shall declare in writing the maximum kingpin to rear axle lengths which can be maintained with safety upon the highway. Following the declaration of maximum lengths as provided by this subdivision, the Department of Transportation shall erect suitable signs at each end of the affected portion of the highway and at any other points that the Department of Transportation determines to be necessary to give adequate notice of the length limits.

The Department of Transportation, in consultation with the Department of the California Highway Patrol, shall compile traffic volume, geometric, and other relevant data, to assess the maximum kingpin to rearmost axle distance of vehicle combinations appropriate for those state highways or portion of highways, affected by this section, that cannot safely accommodate trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400. On or before January 1, 1989, the department shall erect suitable signs appropriately restricting truck

travel on those highways, or portions of highways, and report its findings and recommendations to the Legislature.

CHAPTER 576

An act to add Section 4016.5 to the Health and Safety Code, relating to public water systems.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 4016.5 is added to the Health and Safety Code, to read:

4016.5. Commencing July 1, 1990, any system seeking an initial permit under this chapter, or seeking a permit due to a change in ownership, shall, in addition to the requirements of Section 4016, be required to demonstrate financial responsibility as a condition of receiving the permit.

SEC. 2. The Legislature finds and declares that the purpose of delaying the operative date of the requirements of Section 1 of this act until July 1, 1990, is to provide the State Department of Health Services sufficient time to develop financial responsibility criteria for the administration of Section 4016.5 of the Health and Safety Code.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 577

An act to amend Sections 8514 and 8550 of the Business and Professions Code, relating to structural pest control.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8514 of the Business and Professions Code is amended to read:

8514. No registered company shall commence work on a

contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the control of household pests, or wood-destroying pests or organisms until an inspection has been made.

Notwithstanding any provision of this chapter, after an inspection has been made a registered company which holds a branch registration for the control of household pests, or wood destroying pests or organisms, but its branch registration restricts the method of eradication or control permitted, may recommend and enter into a contract for the eradication or control of pests within the scope of its branch registration, provided it subcontracts in writing the actual performance of the work to a registered company which holds a branch registration authorizing the particular method to be used.

A registered company may in writing subcontract any pest control work for which it is registered in any branch or branches to a registered company holding a valid branch registration to do such work.

Nothing herein contained shall permit or authorize any registered company to perform, attempt to perform, advertise or hold out to the public or to any person that it is authorized, qualified or registered to perform, pest control work in any branch, or by any method, for which it is not registered.

Subcontracting of work, as permitted herein, shall not relieve the prime contractor or the subcontractor from responsibility for, or from disciplinary action because of, any act or omission on its part, which would otherwise be a ground for disciplinary action.

SEC. 2. Section 8550 of the Business and Professions Code is amended to read:

8550. (a) It is unlawful for any individual to engage or offer to engage in the business of, act in the capacity of, or advertise himself or herself as, or assume to act as, an operator or a field representative, or to engage or offer to engage in the practice of structural pest control, unless he or she is licensed under this chapter. For purposes of this subdivision, "engage in the practice of structural pest control" shall not include price quotations given by unlicensed employees of a registered company in response to a request for that information.

(b) Except as provided in subdivision (c), on and after January 1, 1987, it is unlawful for any firm, partnership, corporation, association or other organization or combination thereof to engage or offer to engage in the practice of structural pest control, unless registered in accordance with Article 6 (commencing with Section 8610).

(c) An individual, partnership, or corporation holding an operator's license on January 1, 1987, issued in the company name style, may, before January 1, 1988, upon application and payment of the operator's license fee and company registration fee in accordance with Section 8674, be issued a company registration in the company name style and, without examination, an operator's license in the name of the owner or qualifying manager or managers.

SEC. 3. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 578

An act to add Section 13170.1 to the Water Code, relating to water quality.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 13170.1 is added to the Water Code, to read:

13170.1. The state board shall consider all relevant management agency agreements, which are intended to protect a specific beneficial use of water, prior to adopting all water quality control plans pursuant to Section 13170.

CHAPTER 579

An act to add Section 99160 to the Public Utilities Code, relating to public transit.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 99160 is added to the Public Utilities Code, to read:

99160. Any public entity which plans the development of, or which operates, a rail transit system, shall, with respect to any current or future rail transit system, (a) develop motor vehicle parking facilities to serve the system's passengers at stations planned to be park and ride facilities, and (b) expand private enterprise participation in the development of air space and publicly owned assets to provide those parking facilities.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act

contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 580

An act to add Article 9.7 (commencing with Section 31144.7) to Chapter 1 of Part 5 of Division 12 of the Water Code, relating to county water districts.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Article 9.7 (commencing with Section 31144.7) is added to Chapter 1 of Part 5 of Division 12 of the Water Code, to read:

Article 9.7. Malaga County Water District

31144.7. In addition to the other powers provided by law, the Malaga County Water District, Fresno County, shall, within the boundaries of the district, have all of the following powers and shall promptly and effectively exercise those powers that are appropriate for improving water quality and supply, reducing the use of water, and preventing nuisance, pollution, waste, and contamination of water:

(a) To carry on technical and other investigations, examinations, or tests, of all kinds, make measurements, collect data, and make analyses, studies, and inspections pertaining to the water supply, use of water, water quality, nuisance, pollution, waste, and contamination of water, both within and without the district, including, but not limited to, those activities related to use of public, combined, or private septic and septic tank disposal systems.

(b) To regulate, prohibit, or control the discharge of pollutants, waste, or any other material into the district's facilities by requiring dischargers to obtain a permit from the district prior to any discharge and by prohibiting the discharge of pollutants or other material which does or may cause a nuisance into the district's facilities without first obtaining a permit from the district, but if a federal

permit has been issued for the discharge, a permit may be issued by the district at no fee to the discharger; to require a fee to be collected prior to the issuance of a discharge permit, if the amount of the fee does not exceed the cost of issuing the permit; to require all permitholders to indemnify the district from any and all damages, penalties, or other expenses imposed on or required of the district by state or federal agencies due to any discharge by the permitholders into district facilities.

(c) To establish compliance with any federal, state, or local law, regulation, order, or rule relating to water pollution or the discharge of pollutants, waste, or any other material into the district's facilities. For this purpose, any authorized representative of the district, upon presentation of his or her credentials or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, has the right of entry to any premises on which a water pollution, waste, or contamination source is located for the purpose of inspecting the source, including securing samples of discharges therefrom, or any records required to be maintained in connection therewith by federal, state, or local law, regulation, order, or rule.

31144.71. (a) For the common benefit of the district and for the purpose of managing the groundwater basin and managing, replenishing, regulating, and protecting the groundwater supplies within the district, the Malaga County Water District may exercise any of the following powers:

(1) Provide for the conjunctive use of groundwater and surface water resources within the district.

(2) Store water in underground water basins or reservoirs within or outside of the district.

(3) Exchange water.

(4) Distribute water to persons in exchange for ceasing or reducing groundwater extractions.

(5) Transport, reclaim, purify, treat, inject, extract, or otherwise manage and control water for the beneficial use of persons or property within the district and to improve and protect the quality of groundwater supplies within the district.

(b) The district may, pursuant to Sections 31020 and 31021, enter into an agreement or agreements with other public agencies for the purpose of participating in basinwide groundwater management activities.

31144.72. In addition to the other powers provided by law, the Malaga County Water District may levy and collect fees or charges in the manner provided for in this division for activities undertaken pursuant to Section 31144.71.

31144.73. The district shall biennially prepare a written report on the district's activities in the protection and augmentation of the water supplies of the district. The report shall include, among other information the board may order, a financial analysis of the district's

water utility system; information as to the present and future water requirements of the district, the water supply available to the district, and future capital improvement and maintenance and operating requirements; a method of financing those requirements; a recommendation as to whether or not a groundwater charge should be levied in any zone or zones of the district during the ensuing water year and, if any groundwater charge is recommended, a proposal of a rate per acre-foot for all water other than agricultural water for the zone or zones.

31144.74. As used in connection with the groundwater charge authorized by this article, the following words shall have the following meanings:

(a) "District" means the Malaga County Water District.

(b) "Person," "owner," or "operator" means federal, state, or local agencies, private corporations, firms, or partnerships, and individuals or groups of individuals, whether legally organized or not. "Owner" or "operator" also means the person to whom a water-producing facility is assessed by the county assessor, or, if not separately assessed, the person who owns the land upon which a water-producing facility is located.

(c) "Groundwater" means nonsaline water beneath the natural surface of the ground, whether or not flowing through known and definite channels. "Nonsaline water" means water which has less than 1,000 parts of chlorides to 1,000,000 parts of water, both quantities measured by weight.

(d) "Production" or "producing" means the extraction or extracting of groundwater, by pumping or any other method, from shafts, tunnels, wells (including, but not limited to, abandoned oil wells), excavations or other sources of groundwater, for domestic, municipal, irrigation, industrial, or other beneficial use, but does not mean or include the extraction of groundwater produced in the construction or reconstruction of a well, or water incidentally produced in a bona fide mining or excavation operation or water incidentally produced in the bona fide construction of a tunnel, unless the groundwater so extracted shall be used or sold by the producer for domestic, municipal, irrigation, industrial, or other beneficial use.

(e) "Water-producing facility" means any device or method, mechanical or otherwise, for the production of water from the groundwater supplies within the district or a zone thereof.

(f) "Water production statement" means the certified statement filed by the owner or operator of a water-producing facility with the district of the production of groundwater from the facility in a specified period.

(g) "Water year" means July 1 of one calendar year to June 30 of the following calendar year.

(h) "Agricultural water" means water primarily used in the commercial production of agricultural crops or livestock.

31144.75. On the second Tuesday in February of each

even-numbered year, the report shall be delivered to the clerk of the district board in writing. The clerk shall publish, pursuant to Section 6061 of the Government Code, a notice of the receipt of the report and of the public hearing to be held on the second Tuesday in March in a newspaper of general circulation printed and published within the district, at least 10 days prior to the date at which the public hearing regarding the report shall be held. The notice, among other information which the district may provide therein, shall contain an invitation to all operators of water-producing facilities within the district, or any person interested in the district's activities in the protection and augmentation of the water supplies of the district, to call at the offices of the district to examine the report. A public hearing shall be held on the second Tuesday of March of each even-numbered year in the chambers of the board, at which time any operator of a water-producing facility in the district, or any person interested in the district's activities in the protection and augmentation of the water supplies of the district, may in person, or by representative, appear and submit evidence concerning the subject of the report.

31144.76. (a) Prior to the end of the water year in which the hearing is held, and based upon the findings and determinations at the hearing, the board shall determine whether or not a groundwater charge should be levied in any zone or zones. If the board determines that a groundwater charge should be levied, the board shall levy, assess, and affix the charge or charges against all persons operating water-producing facilities within that zone or zones during the ensuing water year. The charge shall be computed at a fixed and uniform rate per acre-foot for all water other than agricultural water. The rates shall be established each year in accordance with a budget for that year and shall be at a fixed and uniform rate for all water other than agricultural water.

(b) Any groundwater charge levied pursuant to this article shall be in addition to any general tax or assessment levied within the district or any zone or zones thereof.

(c) Clerical errors occurring or appearing in the name of any person or in the description of the water-producing facility where the production of water therefrom is otherwise properly charged, or in the making or extension of any charge upon the records which do not affect the substantial rights of the assessee or assessees, shall not invalidate the groundwater charge.

31144.77. (a) After the establishment of a zone in which a groundwater charge may be levied, each owner or operator of a water-producing facility within the zone, until such time as the water-producing facility has been permanently abandoned, shall file with the district, on or before the 30th day following the end of collection periods established by the board, a water production statement setting forth the total production in acre-feet of water for the preceding collection period, a general description or number locating each water-producing facility, the method or basis of the

computation of that water production, and the amount of the groundwater charge based on that computation. The collection periods may be established at not greater than a year or less than six months. If no water has been produced from the water-producing facility during a preceding collection period, this statement shall be filed, setting forth that no water has been produced during that period. The statement shall be verified by a written declaration that it is made under the penalties of perjury. The groundwater charge is payable to the district on or before the last date upon which the water production statements shall be filed, and is computed by multiplying the production in acre-feet of water for each classification as disclosed in the statement by the groundwater charge for each classification of water. At the time any water-producing facility has been permanently abandoned, the operator shall give written notice of the abandonment to the district. If any operator of a water-producing facility fails to pay the groundwater charge when due, the district shall charge interest at the rate of 1 percent each month on the delinquent amount of the groundwater charge.

(b) If any owner or operator of a water-producing facility fails to register each water-producing facility, or fails to file the water production statements as required by this article, the district shall, in addition to charging interest as provided, assess a penalty charge against that owner or operator in subdivision (a), an amount of 10 percent of the amount found by the district to be due. The board may adopt regulations to provide that in excusable or justifiable circumstances the penalty may be reduced or waived.

(c) When a water-measuring device is permanently attached to a water-producing facility, the record or production as disclosed by that water-measuring device shall be presumed to be accurate and shall be used as the basis for computing the water production of that water-producing facility in completing the water production statement, unless it can be shown that the water-measuring device is not measuring accurately.

(d) When a water-measuring device is not permanently attached to a water-producing facility, the board may establish a method or methods to be used in computing the amount of water produced from the water-producing facility. The methods may be based upon any, or any combination, of the following criteria:

(1) The minimum charge sufficient to cover administrative costs of collection.

(2) The size of the water-producing facility discharge opening.

(3) The area served by the water-producing facility.

(4) The number of persons served by the water-producing facility.

(5) The use of land served by the water-producing facility.

(6) Any other criteria which may be used to determine with reasonable accuracy the amount of water produced from the water-producing facility.

(e) The district may levy an annual charge upon a water-producing facility for which no production has been recorded but which has not been permanently abandoned, except that this charge shall not exceed the annual cost to the district of maintaining and administering the registration of that facility.

31144.78. Upon good cause shown, an amended statement of water production may be filed or a correction of the records may be made at any time within six months of filing the water production statement. If pursuant to Section 31144.79, the owner or operator has been notified of a determination by the district that the production of water from the water-producing facility is in excess of that disclosed by the sworn statement covering the water-producing facility, and that owner or operator fails to protest the determination in the manner and in the time set forth in Section 31144.79, the owner or operator shall be precluded from later filing an amended water production statement for that period for the water-producing facility.

31144.79. (a) If the district has probable cause to believe that the production of water from any water-producing facility is in excess of that disclosed by the sworn statements covering the water-producing facility, or if no statements are filed covering any water-producing facility, the district may cause an investigation and report to be made concerning the production of water from each such water-producing facility. The district may fix the amount of water production from any such water-producing facility at an amount not to exceed the maximum production capacity of the water-producing facility.

(b) After the determination has been made by the district, a written notice thereof shall be mailed to the person operating the water-producing facility at the address shown by the district's records. The determination made by the district shall be conclusive on all persons having an interest in the water-producing facility, and the groundwater charge, interest, and penalties thereon, shall be paid forthwith, unless that person files with the board within 15 days after the mailing of the notice, a written protest setting forth the ground or grounds for protesting the amount of production so fixed. Upon the filing of that protest, the board shall hold a hearing at which time the total amount of the water production and the groundwater charge thereon shall be determined, which shall be conclusive if based upon substantial evidence. If the water production statement was filed and the amount disclosed thereon was paid within the time required under this article, and the board finds that the failure to report the amount of water actually produced resulted from excusable or justifiable circumstances, the board may waive the charge of interest on the amount found to be due. A notice of the hearing shall be mailed to the protestant at least 10 days before the date fixed for the hearing. Notice of the determination by the board shall be mailed to each protestant, who shall have 30 days from the date of mailing to pay the groundwater charge, interest, or penalties provided under this article.

(c) Notice as required in this section shall be given by deposit thereof in any postal facility regularly maintained by the government of the United States in a sealed envelope with postage paid, addressed to the person on whom it is served at the name and address disclosed by the records of the district. This service is complete at the time of deposit.

SEC. 2. The Legislature hereby finds and declares that special circumstances exist within the Malaga County Water District because of the unique water quality and groundwater problems within the district and the absence of any other public agency willing or able to address these problems. The Legislature finds and declares that a general act cannot be made applicable to this unique situation and that it is, therefore, necessary to enact this special act relating to the Malaga County Water District.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 581

An act to amend Sections 17041, 17276, 17276.1, 17276.2, 23801, 23802, 23803, 24416, and 24416.1 of, and to add Section 24416.2 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17041 of the Revenue and Taxation Code is amended to read:

17041. (a) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state, except the head of a household as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income:

If the taxable income is:	The tax is:
Not over $3,650	1% of the taxable income
Over $3,650 but not over $8,650	$36.50 plus 2% of the excess over $3,650

Over $8,650 but not over $13,650	$136.50 plus 4% of the excess over $8,650
Over $13,650 but not over $18,950	$336.50 plus 6% of the excess over $13,650
Over $18,950 but not over $23,950	$654.50 plus 8% of the excess over $18,950
Over $23,950	$1,054.50 plus 9.3% of the excess over $23,950

(b) There shall be imposed for each taxable year upon the entire taxable income of every nonresident or part-year resident which is derived from sources in this state, except the head of a household as defined in Section 17042, a tax which shall be equal to the tax computed under subdivision (a) as if the nonresident or part-year resident were a resident multiplied by the ratio of California adjusted gross income to total adjusted gross income from all sources. For purposes of computing the tax under subdivision (a) and gross income from all sources, the net operating loss deduction provided in Section 172 of the Internal Revenue Code, as modified by Section 17276, shall be computed as if the taxpayer was a resident for all prior years.

(c) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state, when such resident is the head of a household, as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income:

If the taxable income is:	The tax is:
Not over $7,300	1% of the taxable income
Over $7,300 but not over $17,300	$73 plus 2% of the excess over $7,300
Over $17,300 but not over $22,300	$273 plus 4% of the excess over $17,300
Over $22,300 but not over $27,600	$473 plus 6% of the excess over $22,300
Over $27,600 but not over $32,600	$791 plus 8% of the excess over $27,600
Over $32,600	$1,191 plus 9.3% of the excess over $32,600

(d) There shall be imposed for each taxable year upon the entire taxable income of every nonresident or part-year resident which is

derived from sources within this state when such nonresident or part-year resident is the head of a household, as defined in Section 17042, a tax which shall be equal to the tax computed under subdivision (c) as if the nonresident or part-year resident were a resident multiplied by the ratio of California adjusted gross income to total adjusted gross income from all sources. For purposes of computing the tax under subdivision (c) and gross income from all sources, the net operating loss deduction provided in Section 172 of the Internal Revenue Code, as modified by Section 17276, shall be computed as if the taxpayer was a resident for all prior years.

(e) There shall be imposed for each taxable year upon the taxable income of every estate, trust, or common trust fund taxes equal to the amount computed under subdivision (a) for an individual having the same amount of taxable income.

(f) The tax imposed by this part is not a surtax.

(g) For purposes of this section, the taxation of the unearned income of a minor child who has not attained age 14 before the close of the taxable year and who has a parent living at the close of the taxable year shall be determined in accordance with Section 1(i) of the Internal Revenue Code, relating to certain unearned income of minor children taxed as if the parent's income.

(h) For each taxable year beginning on or after January 1, 1988, the Franchise Tax Board shall recompute the income tax brackets prescribed in subdivisions (a) and (c). That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(2) For taxable years beginning on and after January 1, 1988, and thereafter, the Franchise Tax Board shall compute an inflation adjustment factor by adding 100 percent to the percentage change figure which is furnished pursuant to paragraph (1) and dividing the result by 100, the amounts of each bracket to be rounded off to the nearest one dollar ($1).

(i) (1) For purposes of this section, the term "California adjusted gross income" includes each of the following:

(A) For any part of the taxable year during which the taxpayer was a resident of this state (as defined by Section 17014), all items of adjusted gross income, regardless of source.

(B) For any part of the taxable year during which the taxpayer was not a resident of this state, only those items of adjusted gross income which were derived from sources within this state, determined in accordance with Chapter 11 (commencing with Section 17951).

(2) For purposes of computing "California adjusted gross income" under paragraph (1), the amount of any net operating loss sustained in any taxable year during any part of which the taxpayer was not a

resident of this state shall be limited to the sum of the following:

(A) The amount of the loss attributable to the part of the taxable year in which the taxpayer was a resident.

(B) The amount of the loss which, during the part of the taxable year the taxpayer was not a resident, is attributable to California source income and deductions allowable in arriving at adjusted gross income.

SEC. 2. Section 17276 of the Revenue and Taxation Code is amended to read:

17276. Except as provided in Sections 17276.1 and 17276.2, the deduction provided by Section 172 of the Internal Revenue Code, relating to a net operating loss deduction, shall be modified as follows:

(a) (1) Except as provided in subdivision (d), net operating losses attributable to taxable years beginning before January 1, 1985, and beginning on or after January 1, 1992, shall not be allowed.

(2) A net operating loss shall not be carried forward to any taxable year beginning before January 1, 1987

(b) The provisions of Section 172(b)(2) of the Internal Revenue Code, relating to the amount of carryovers, shall be modified so that 50 percent of the entire amount of the net operating loss for any taxable year shall not be eligible for carryover to any subsequent taxable year.

(c) Net operating loss carrybacks shall not be allowed.

(d) Notwithstanding the provisions of Section 172(b)(1) of the Internal Revenue Code—

(1) A net operating loss attributable to a taxable year beginning in 1985 or 1986, shall be a net operating loss carryover to the first taxable year beginning in 1987, and for each of the two succeeding taxable years.

(2) A net operating loss attributable to a taxable year ending on or after January 1, 1985, and before December 31, 1985, shall be a net operating loss carryover to the first taxable year beginning in 1987, and for each of the two succeeding taxable years.

(3) For purposes of paragraph (2), the amount of the carryover shall be reduced so that the amount of carryover, after application of this paragraph and subdivision (b), shall be equal to the following percentage of the entire amount of the net operating loss for the taxable year:

(A) For taxable years ending in January 1985, 4 percent.
(B) For taxable years ending in February 1985, 8 percent.
(C) For taxable years ending in March 1985, 12 percent.
(D) For taxable years ending in April 1985, 17 percent.
(E) For taxable years ending in May 1985, 21 percent.
(F) For taxable years ending in June 1985, 25 percent.
(G) For taxable years ending in July 1985, 29 percent.
(H) For taxable years ending in August 1985, 33 percent.
(I) For taxable years ending in September 1985, 37 percent.
(J) For taxable years ending in October 1985, 42 percent.

(K) For taxable years ending in November 1985, 46 percent.

(L) For taxable years ending in December 1985, 50 percent.

(e) For taxable years beginning on or after January 1, 1987, net operating loss carryovers shall be applied in accordance with Section 172 of the Internal Revenue Code (earliest year first)—

(1) First, from losses which were allowable under prior law, incurred in taxable years beginning prior to January 1, 1985.

(2) Second, from losses, other than losses allowed under prior law, incurred in taxable years ending in 1985.

(3) Third, from losses, other than losses allowed under prior law, incurred in taxable years beginning in 1985.

(4) Fourth, from losses which were allowable under prior law, incurred in taxable years beginning in 1985.

(5) Fifth, from losses, other than losses allowed under prior law, incurred in taxable years beginning in 1986.

(6) Sixth, from losses which were allowable under prior law, incurred in taxable years beginning in 1986.

(7) Seventh, from losses incurred in taxable years beginning on or after January 1, 1987.

(f) Notwithstanding any provisions of this section, a deduction shall be allowed to a "qualified taxpayer" as provided in Sections 17276.1 and 17276.2.

SEC. 3. Section 17276.1 of the Revenue and Taxation Code is amended to read:

17276.1. (a) A qualified taxpayer, as defined in Section 17276.2, may elect to take the deduction provided by Section 172 of the Internal Revenue Code, relating to the net operating loss deduction, as modified by Section 17276, with the following exceptions:

(1) Subdivision (a) of Section 17276, relating to years in which allowable losses are sustained, shall not be applicable.

(2) Subdivision (b) of Section 17276, relating to the 50-percent reduction of losses, shall not be applicable.

(3) Subdivision (d) of Section 17276, relating to losses sustained prior to 1987, shall not be applicable.

(b) The election to compute the net operating loss under this section shall be made in a statement attached to the original return, timely filed for the year in which the net operating loss is incurred and shall be irrevocable. In addition to the exceptions specified in subdivision (a), the provisions of Section 17276.2 shall be applicable.

SEC. 4. Section 17276.2 of the Revenue and Taxation Code is amended to read:

17276.2. The term "qualified taxpayer" as used in Section 17276.1 means either of the following:

(a) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the taxpayer becomes a qualified

business shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276.1, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(b) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following taxable year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to each of 15 taxable years following the taxable year of loss, if longer.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276.1, attributable to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(c) A taxpayer who qualifies as a "qualified taxpayer" shall, for the taxable year of the net operating loss and any taxable year to which that net operating loss may be carried designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account subdivision (d).

(d) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to

a net operating loss in a taxable year, the taxpayer shall designate which subdivision of this section is to apply to the taxpayer.

(e) Notwithstanding the provisions of Section 17276, the amount of the loss determined under this section shall be the only net operating loss allowed to be carried over from that taxable year and the designation under subdivision (c) shall be included in the election under Section 17276.1.

SEC. 5. Section 23801 of the Revenue and Taxation Code is amended to read:

23801. (a) (1) A corporation may not elect to be treated as an "S corporation" unless it has in effect for federal purposes a valid election under Section 1362(a) of the Internal Revenue Code for the same year.

(2) For income years beginning in 1987—

(A) A corporation which has in effect a valid federal election, for the income year beginning in 1987, shall be deemed to have elected to be treated as an "S corporation" for purposes of this part, unless that corporation elects on its return to continue to be treated as a "C corporation" for purposes of this part.

(B) A corporation to which subparagraph (A) applies, but which is not required to file a return under this part, may elect to be treated as a "C corporation" for purposes of this part in such form and in such manner as the Franchise Tax Board may prescribe.

(C) A corporation which is deemed to have elected to be treated as an "S corporation" under subparagraph (A) shall, for purposes of applying the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, and Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income, be deemed to have made the election to be treated as an "S corporation" on the same date as the date of its federal election under Section 1362(a) of the Internal Revenue Code.

(3) For income years beginning after 1987—

(A) An election or revocation under Section 1362(a) of the Internal Revenue Code shall be an election to which subdivision (g) of Section 23051.5 applies and shall be deemed to have been made on the same date as the date of the federal election, unless the corporation files a separate election for state purposes pursuant to subdivision (g) of Section 23051.5.

(B) A corporation which was a "C corporation" for California purposes for the preceding year may elect to be treated as an "S corporation" by making an election at the time and in the manner as the Franchise Tax Board may prescribe.

(C) A corporation which is required to file a return under this part for the current, but not the preceding year, may make a separate election pursuant to subdivision (g) of Section 23051.5 at the time and in the manner as the Franchise Tax Board may prescribe.

(D) A corporation which is not required to file a return under this part may make a separate election pursuant to subdivision (g) of

Section 23051.5 on or before the 15th day of the third month after the close of the income year if either of the following applies:

(i) During the preceding income year, the corporation had no shareholders who were residents of California.

(ii) The corporation filed a valid "S" election for federal tax purposes which was treated as being made for the current income year.

(E) A corporation which elects to be treated as an "S corporation" under subparagraph (A) for an income year beginning in 1988 shall, for purposes of applying the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, and Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income, be deemed to have made the election to be treated as an "S corporation" on the same date as the date of its federal election under Section 1362(a) of the Internal Revenue Code.

(b) If a corporation subject to tax under this part elects to be treated as an "S corporation" and has one or more shareholders who are nonresidents of this state or is a trust with a nonresident fiduciary, each of the following shall be required:

(1) Each nonresident shareholder or fiduciary shall file with the return a statement of consent by that shareholder or fiduciary to be subject to the jurisdiction of the State of California to tax the shareholder's pro rata share of the income attributable to California sources.

(2) An "S corporation" shall include in its return for each income year a list of shareholders in the form and in the manner prescribed by the Franchise Tax Board.

(3) Failure to meet the requirements of this subdivision shall be grounds for retroactive revocation of the election pursuant to this chapter.

(c) Except as provided in subdivision (d), a corporation which makes a valid election to be treated as an "S corporation" for purposes of this part shall not be included in a combined report pursuant to Article 1 (commencing with Section 25101) of Chapter 17.

(d) (1) In cases where the Franchise Tax Board determines that the reported income or loss of a group of commonly owned or controlled corporations (within the meaning of Section 25105), which includes one or more corporations electing to be treated as an "S corporation" under Chapter 4.5 (commencing with Section 23800), does not clearly reflect income (or loss) of a member of such group or represents an evasion of tax by one or more members of such group, and the Franchise Tax Board determines that the comparable uncontrolled price method prescribed by regulations pursuant to Section 482 of the Internal Revenue Code cannot practically be applied, the Franchise Tax Board may, in lieu of other methods prescribed by regulations pursuant to Section 482 of the Internal Revenue Code, apply methods of unitary combination,

pursuant to Article 1 (commencing with Section 25101) of Chapter 17, to properly reflect the income or loss of the members of the group.

(2) The application of the provisions of this subdivision shall not affect the election of any corporation to be treated as an "S corporation".

(e) The tax for a "C corporation" for a short year shall be determined in accordance with Chapter 13 (commencing with Section 24631), in lieu of Section 1362(e)(5) of the Internal Revenue Code.

(f) A termination of a federal election pursuant to Section 1362(d) of the Internal Revenue Code, that is not an inadvertent termination pursuant to Section 1362(f) of the Internal Revenue Code, shall simultaneously terminate the "S corporation" election for purposes of Part 10 (commencing with Section 17001) and this part. A corporation may terminate by revocation its "S corporation" election for purposes of Part 10 (commencing with Section 17001) and this part without terminating its federal election by providing written notification to the Franchise Tax Board which meets the requirements of Section 1362(d)(1) of the Internal Revenue Code.

SEC. 6. Section 23802 of the Revenue and Taxation Code is amended to read:

23802. (a) Section 1363(a) of the Internal Revenue Code, relating to the taxability of an S corporation, shall not be applicable.

(b) Corporations qualifying under this chapter shall continue to be subject to the taxes imposed under Chapter 2 (commencing with Section 23101) and Chapter 3 (commencing with Section 23501), except as follows:

(1) The tax imposed under Section 23151 or 23501 shall be imposed at a rate of 2½ percent rather than the rate specified in those sections.

(2) In the case of an "S corporation" which is also a financial corporation, the rate of tax specified in paragraph (1) shall be increased by the excess of the rate imposed under Section 23183 over the rate imposed under Section 23151 and Section 23184 shall be applicable.

(3) An "S corporation" shall not be subject to the alternative minimum tax (or preference tax) imposed under Section 23400.

(c) An "S corporation" shall be subject to the minimum tax imposed under Section 23153.

(d) (1) For purposes of subdivision (b), an "S corporation" shall be allowed a deduction under Section 24416 or 24416.1 (relating to net operating loss deductions), but only with respect to losses incurred during periods in which the corporation had in effect a valid election to be treated as an "S corporation" for purposes of this part.

(2) Section 1371(b) of the Internal Revenue Code, relating to denial of carryovers between "C years" and "S years", shall apply for purposes of the tax imposed under subdivision (b), except as provided in paragraph (1) of this subdivision.

(3) The provisions of this subdivision shall not affect the amount of any item of income or loss computed in accordance with the provisions of Section 1366 of the Internal Revenue Code, relating to pass-thru items to shareholders.

(4) For purposes of subdivision (b) of Section 17276, relating to limitations on loss carryovers, losses passed through to shareholders of an "S corporation," to the extent otherwise allowable without application of that subdivision, shall be fully included in the net operating loss of that shareholder and then that subdivision shall be applied to the entire net operating loss.

(e) For purposes of computing the taxes specified in subdivision (b), an "S corporation" shall be allowed a deduction from income for built-in gains and passive investment income for which a tax has been imposed under this part in accordance with the provisions of Section 1374 of the Internal Revenue Code, relating to tax imposed on certain built-in gains, or Section 1375 of the Internal Revenue Code, relating to tax imposed on passive investment income.

(f) For purposes of computing taxes imposed under this part, as provided in subdivision (b)—

(1) An "S corporation" shall compute its deductions for amortization and depreciation in accordance with the provisions of Part 10 (commencing with Section 17001) of Division 2.

(2) The provisions of Section 465 of the Internal Revenue Code, relating to limitation of deductions to the amount at risk, shall be applied in the same manner as in the case of an individual.

(3) (A) The provisions of Section 469 of the Internal Revenue Code, relating to limitations on passive activity losses and credits, shall be applied in the same manner as in the case of an individual.

(B) For purposes of this paragraph, the "adjusted gross income" of the "S corporation" shall be equal to its "net income," as determined under Section 24341, with the modifications required by this subdivision.

SEC. 7. Section 23803 of the Revenue and Taxation Code is amended to read:

23803. (a) (1) With respect to credits which are otherwise allowed to reduce the taxes imposed under this part:

(A) The amount of any credit to be claimed shall be limited to one-third of the amount otherwise allowable.

(B) (i) Any unused portion of the credit allowable under subparagraph (A) (one-third of the total credit) shall be allowed to be carried forward and shall not be subject to additional reductions under subparagraph (A) in later years.

(ii) No carryforward shall be allowed for the portion of the credit denied under subparagraph (A) (two-thirds of the total credit).

(C) Credits carried forward from income years beginning prior to the first income year in which the corporation is treated as an "S corporation" under this part, shall be reduced in accordance with subparagraph (A) for that first income year and shall not be subject to additional reductions under subparagraph (A) in later years.

(D) The provisions of paragraphs (2) and (3) of subdivision (f) of Section 23802 shall be applied prior to the reduction required by subparagraph (A).

(E) No portion of any credit to which this paragraph applies shall be passed through to the shareholders of the "S corporation."

(F) The provisions of this paragraph shall not affect the amount of any credit computed under Part 10 (commencing with Section 17001) for pass through to shareholders in accordance with the provisions of Section 1366 of the Internal Revenue Code.

(2) With respect to credits which are allowed to the "S corporation" only because it is treated in the same manner as an individual, the provisions of Section 1366(a) of the Internal Revenue Code shall be modified to provide that the shareholder's pro rata share of the corporation's credits shall include the credit for political contributions allowed under Section 17053.14.

(b) Section 1366(f) of the Internal Revenue Code, relating to special rules, shall be modified as follows:

(1) The amount of tax used to compute the reduction allowed by Section 1366(f)(2) shall be the amount of tax imposed on built-in gains under this part.

(2) The amount of tax used to compute the reduction allowed by Section 1366(f)(3) shall be the amount of tax imposed on excess net passive income under this part.

SEC. 7.5. Section 24416 of the Revenue and Taxation Code is amended to read:

24416. Except as provided in Sections 24416.1 and 24416.2, a net operating loss deduction shall be allowed in computing net income under Section 24341 and shall be determined in accordance with Section 172 of the Internal Revenue Code, except as otherwise provided.

(a) (1) Except as provided in subdivision (e), net operating losses attributable to income years beginning before January 1, 1985, and beginning on or after January 1, 1992, shall not be allowed, except for losses allowed by this section (as amended by Chapter 159 of the Statutes of 1985) and former Section 24417 (as amended by Chapter 158 of the Statutes of 1986).

(2) A net operating loss shall not be carried forward to any income year beginning before January 1, 1987.

(b) The provisions of Section 172(b)(2) of the Internal Revenue Code, relating to the amount of carryovers, shall be modified so that 50 percent of the entire amount of the net operating loss for any income year shall not be eligible for carryover to any subsequent income year.

(c) For any income year in which the taxpayer has in effect a water's edge election under Section 25110, the deduction of a net operating loss carryover shall be denied to the extent that such net operating loss carryover was determined by taking into account the income and factors of an affiliated bank or corporation in a combined report whose income and apportionment factors would not have

been taken into account if a water's edge election under Section 25110 had been in effect for the income year in which the loss was incurred.

(d) Net operating loss carrybacks shall not be allowed.

(e) Notwithstanding the provisions of Section 172(b)(1) of the Internal Revenue Code--

(1) A net operating loss attributable to an income year beginning in 1985 or 1986, shall be a net operating loss carryover to the first income year beginning in 1987, and for each of the two succeeding income years.

(2) A net operating loss attributable to an income year ending on or after January 1, 1985, and before December 31, 1985, shall be a net operating loss carryover to the first income year beginning in 1987, and for each of the two succeeding income years.

(3) For purposes of paragraph (2), the amount of the carryover shall be reduced so that the amount of carryover, after application of this paragraph and subdivision (b), shall be equal to the following percentage of the entire amount of the net operating loss for the income year:

(A) For income years ending in January 1985, 4 percent.

(B) For income years ending in February 1985, 8 percent.

(C) For income years ending in March 1985, 12 percent.

(D) For income years ending in April 1985, 17 percent.

(E) For income years ending in May 1985, 21 percent.

(F) For income years ending in June 1985, 25 percent.

(G) For income years ending in July 1985, 29 percent.

(H) For income years ending in August 1985, 33 percent.

(I) For income years ending in September 1985, 37 percent.

(J) For income years ending in October 1985, 42 percent.

(K) For income years ending in November 1985, 46 percent.

(L) For income years ending in December 1985, 50 percent.

(f) For income years beginning on or after January 1, 1987, net operating carryover losses shall be applied in accordance with Section 172 of the Internal Revenue Code (earliest year first)--

(1) First, from losses which were allowable under prior law, incurred in income years beginning prior to January 1, 1985.

(2) Second, from losses, other than losses allowed under prior law, incurred in income years ending in 1985.

(3) Third, from losses, other than losses allowed under prior law, incurred in income years beginning in 1985.

(4) Fourth, from losses which were allowable under prior law, incurred in income years beginning in 1985.

(5) Fifth, from losses, other than losses allowed under prior law, incurred in income years beginning in 1986.

(6) Sixth, from losses which were allowable under prior law, incurred in income years beginning in 1986.

(7) Seventh, from losses incurred in income years beginning on or after January 1, 1987.

(g) For purposes of corporations whose net income is determined

under Chapter 17 (commencing with Section 25101)—

(1) The amount of net operating loss incurred in any income year which may be carried forward to another income year, and

(2) The amount of any loss carryforward which may be deducted in any income year, shall be determined in accordance with the provisions of Section 25108.

(h) The provisions of Section 172(b)(1)(K) of the Internal Revenue Code, relating to bad debt losses of commercial banks, shall not be applicable.

SEC. 8. Section 24416.1 of the Revenue and Taxation Code is amended to read:

24416.1. (a) A qualified taxpayer, as defined in Section 24416.2, may elect to take the deduction provided by Section 172 of the Internal Revenue Code, relating to the net operating loss deduction, as modified by Section 24416, in computing net income under Section 24341, with the following exceptions to Section 24416:

(1) Subdivision (a) of Section 24416, relating to years in which allowable losses are sustained, shall not be applicable.

(2) Subdivision (b) of Section 24416, relating to the 50-percent reduction of losses, shall not be applicable.

(3) The provisions of Section 172(b)(1)(E), (H), and (J) of the Internal Revenue Code shall not apply. To the extent applicable to California law, net operating losses attributable to entities with losses described by Section 172(b)(1)(J) shall be applied in accordance with Section 172(b)(1)(A) and (B) of the Internal Revenue Code.

(4) Subdivision (e) of Section 24416, relating to losses sustained prior to 1987, shall not be applicable.

(b) Corporations whose income is subject to the provisions of Section 25101 or 25101.15 shall make the computations required by Section 25108.

(c) The election to compute the net operating loss under this section shall be made in a statement attached to the original return, timely filed for the year in which the net operating loss is incurred and shall be irrevocable. In addition to the exceptions specified in subdivision (a), Section 24416.2 shall be applicable.

SEC. 9. Section 24416.2 is added to the Revenue and Taxation Code, to read:

24416.2. The term "qualified taxpayer" as used in Section 24416.1 means either of the following:

(a) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) A net operating loss shall not be a net operating loss carryback for any income year and a net operating loss for any income year beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 income years following the income year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under

Section 172 of the Internal Revenue Code, as modified by Section 24416.1, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(b) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) (A) A net operating loss shall not be a net operating loss carryback to any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following income year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to each of 15 income years following the income year of loss, if longer.

(B) In the case of a financial institution to which Section 585, 586, or 593 of the Internal Revenue Code applies, a net operating loss for any income year beginning on or after January 1, 1984, shall be a net operating loss carryover to each of the five income years following the income year of the loss. Subdivision (b) of Section 24416.1 and Section 172(b)(1)(F) and (G) of the Internal Revenue Code shall not apply.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416.1, attributable to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(c) A taxpayer who qualifies as a "qualified taxpayer" shall, for the income year of the net operating loss and any income year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section,

the designation is to be made after taking into account subdivision (d).

(d) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in an income year, the taxpayer shall designate which subdivision of this section is to apply to the taxpayer.

(e) Notwithstanding the provisions of Section 24416, the amount of the loss determined under Section 24416.1 shall be the only net operating loss allowed to be carried over from that income year and the designation under subdivision (c) shall be included in the election under Section 24416.1.

SEC. 10. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 582

An act to amend Sections 6180 1, 6180.2, 6180.4, 6180.5, 6190.1, 6190.2 of, to amend, renumber, and add Section 6190.3 to, the Business and Professions Code, relating to attorneys, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 6180.1 of the Business and Professions Code is amended to read:

6180.1. The notice shall contain such information as may be required by any order of disbarment, suspension, or of acceptance of the attorneys' resignation, and by any rule of the Supreme Court, Judicial Council, or the State Bar. It shall be mailed to all persons who are then clients, to opposing counsel, to courts and agencies in which the attorney then had pending matters with an identification of the matter, to any errors and omissions insurer, to the Office of the Chief Trial Counsel of the State Bar and to any other person or entity having reason to be informed of such death, change of status or discontinuance or interruption of law practice. In the event of the death or incompetency of the attorney, the notice shall be given by the personal representative or guardian or conservator of the attorney or, if none, by the person having custody or control of the files and records of the attorney. In other cases, the notice shall be given by the attorney or a person authorized by the attorney or by the person having custody and control of the files and records.

SEC. 2. Section 6180.2 of the Business and Professions Code is amended to read:

6180.2. Notwithstanding the giving of notice pursuant to Section 6180.1, the superior court on its own motion, or a client of the

attorney, the State Bar, or an interested person or entity may make application to the superior court for the county where the attorney maintains or more recently has maintained his or her principal office for the practice of law or where he or she resides, for assumption by the court of jurisdiction over the law practice to the extent provided in this article. In any proceeding under this article, the State Bar shall be permitted to intervene and to assume primary responsibility for conducting the action.

SEC. 3. Section 6180.4 of the Business and Professions Code is amended to read:

6180.4. The application shall be set for hearing and an order to show cause shall be issued, directing the attorney, or his or her personal representative, or, if none, the person having custody and control of the files and records, to show cause why the court should not assume jurisdiction over the law practice as provided in this article. A copy of the application and order to show cause shall be served upon the person to whom it is directed by personal delivery or, as an alternate method of service, by certified or registered mail, return receipt requested, addressed to the attorney at the latest address shown on the official membership records of the State Bar or to the personal representative at the latest address shown in the probate proceeding. Service is complete at the time of mailing, but any prescribed period of notice and any right or duty to do any act or make any response within that prescribed period or on a date certain after notice is served by mail shall be extended five days if the place of address is within the State of California, 10 days if the place of address is outside the State of California but within the United States, and 20 days if the place of address is outside the United States. If the attorney has a guardian or conservator, copies shall also be served upon such fiduciary in similar manner. If the State Bar is not the applicant, copies shall also be served upon the Office of the Chief Trial Counsel of the State Bar in similar manner at the time of service on the attorney. The court may prescribe additional or alternative methods of service of the application and order to show cause, and may prescribe methods of notifying and serving notices and process upon other persons and entities in cases not specifically provided for herein.

SEC. 4. Section 6180.5 of the Business and Professions Code is amended to read:

6180.5. If the court finds that one or more of the events stated in Section 6180 has occurred, and (a) that supervision of the courts is warranted because the affected attorney has left an unfinished client matter for which no other active member of the State Bar has with consent of the client agreed to assume responsibility or (b) that the interest of one or more of the clients of the attorney or one or more other interested persons or entities will be prejudiced if the proceeding herein provided is not maintained, it may make an order assuming jurisdiction over the attorney's practice pursuant to this article. If the person to whom the order to show cause is directed

does not appear the court may make its order upon the verified application or such proof as it may require. Thereupon the court shall appoint one or more active members of the State Bar to act under its direction and may order such appointed attorneys to do one or more of the following:

(a) Examine the files and records of the law practice, and obtain information as to any pending matters which may require attention.

(b) Notify persons and entities who appear to be clients of the attorney of the occurrence of the event or events stated in Section 6180 and inform them that it may be to their best interest to obtain other legal counsel.

(c) Apply for an extension of time pending employment of such other counsel by the client.

(d) With the consent of the client, file notices, motions and pleadings on behalf of the client where jurisdictional time limits are involved and other legal counsel has not yet been obtained.

(e) Give notice to the depositor and appropriate persons and entities who may be affected, other than clients, of the occurrence of such event or events.

(f) Arrange for the surrender or delivery of clients' papers or property.

(g) Arrange for the appointment of a receiver, where applicable, to take possession and control of any and all bank accounts relating to the affected attorney's practice of law, including the general or office account and the clients' trust account.

(h) Do such other acts as the court may direct to carry out the purposes of this article.

The court shall have jurisdiction over the files and records and law practice of the affected attorney for the limited purposes of this section, and may make all orders necessary or appropriate to exercise this jurisdiction. The court shall provide a copy of any order issued pursuant to this article to the Office of the Chief Trial Counsel of the State Bar.

SEC. 5. Section 6190.1 of the Business and Professions Code is amended to read:

6190.1. (a) An application for assumption by the court of jurisdiction under this article shall be made to the superior court for the county where the attorney maintains or most recently has maintained his or her principal office for the practice of law or where such attorney resides. The court may assume jurisdiction over the law practice of an attorney to the extent provided in Article 11 (commencing with Section 6180) of Chapter 4 of Division 3.

(b) Where an attorney consents to the assumption by the court of jurisdiction under the article, the State Bar, a client, or an interested person or entity may apply to the court for assumption of jurisdiction over the law practice of the attorney. In any proceeding under this subdivision, the State Bar shall be permitted to intervene and to assume primary responsibility for conducting the action.

(c) Where an attorney does not consent to the assumption by the

court of jurisdiction under this article, only the State Bar may apply to the court for assumption of jurisdiction over the law practice of the attorney.

(d) The chief trial counsel may appoint, pursuant to rules adopted by the board of governors, an examiner or co-examiner from among the members of the State Bar in an investigation or formal proceeding under this article.

SEC. 6. Section 6190.2 of the Business and Professions Code is amended to read:

6190.2. The application shall be verified and shall state facts showing each of the following:

(a) Probable cause to believe that the facts set forth in Section 6190 have occurred.

(b) The interest of the applicant.

(c) Probable cause to believe that the interests of the client or of an interested person or entity will be prejudiced if the proceeding herein provided is not maintained.

SEC. 7. Section 6190.3 of the Business and Professions Code is amended and renumbered to read:

6190.34. If the court finds that (a) the facts set forth in Section 6190 have occurred and, (b) that the interests of the client, or of an interested person or entity will be prejudiced if the proceeding provided herein is not maintained, the court may make all orders provided for by the provisions of Article 11 (commencing with Section 6180) of Chapter 4 of Division 3. The court shall provide a copy of any order issued pursuant to this article to the Office of the Chief Trial Counsel of the State Bar.

SEC. 8. Section 6190.3 is added to the Business and Professions Code, to read:

6190.3. The application shall be set for hearing. A copy of the application and notice of the hearing shall be served upon the attorney by personal delivery or, as an alternate method of service, by certified or registered mail, return receipt requested, addressed to the attorney at the latest address shown on the official membership records of the State Bar. Service is complete at the time of mailing, but any prescribed period of notice and any right or duty to do any act or make any response within that prescribed period or on a date certain after notice is served by mail shall be extended five days if the place of address is within the State of California, 10 days if the place of address is outside the State of California but within the United States, and 20 days if the place of address is outside the United States. If the attorney has a guardian or conservator, copies shall also be served upon such fiduciary in similar manner. If the State Bar is not an applicant, copies shall also be served upon the Office of the Chief Trial Counsel of the State Bar in similar manner at the time of service on the attorney. The court may prescribe additional or alternative methods of service of the application and notice, and may prescribe methods of notifying and serving notices and process upon other persons and entities in cases not specifically provided for

herein.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to eliminate as quickly as possible unnecessary delay in the process of assuming jurisdiction over the law practice of disabled attorneys, and thereby hasten the protection of the interest of those attorneys and their clients, it is necessary that this act go into immediate effect.

CHAPTER 583

An act to amend Sections 18100.5, 18415, and 18506 of, and to repeal and add Sections 18508 and 18509 of, the Financial Code, relating to financial institutions.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18100.5 of the Financial Code is amended to read:

18100.5. Each industrial loan company, other than a premium finance agency, which has issued and has outstanding thrift obligations shall, as a condition to its authority to conduct business under this division, participate as a member of the Federal Deposit Insurance Corporation, or as a member in the Thrift Guaranty Corporation of California in accordance with Chapter 7 (commencing with Section 18475) and rules established by the Board of Directors of Guaranty Corporation.

SEC. 2. Section 18415 of the Financial Code is amended to read:

18415. The commissioner may take possession of the property and business of any industrial loan company and retain possession until the company resumes business or its affairs are liquidated if any of the following grounds exist:

(a) The capital of an industrial loan company is impaired.

(b) An industrial loan company has violated its articles of incorporation or any law of this state.

(c) An industrial loan company is conducting its business in an unsafe or unauthorized manner.

(d) An industrial loan company refuses to submit its books, papers and affairs to the inspection of any examiner.

(e) An officer of any industrial loan company refuses to be examined upon oath touching the concerns of such industrial loan company.

(f) An industrial loan company has suspended payment of its

obligations.

(g) An industrial loan company is in such condition that it is unsound or unsafe for it to transact business.

(h) An industrial loan company neglects or refuses to observe any order of the commissioner made pursuant to this division, unless the enforcement of such order is restrained in a proceeding brought by the industrial loan company.

(i) An industrial loan company (1) fails to become and continue as either a member of the Federal Deposit Insurance Corporation or a member of the Thrift Guaranty Corporation of California in accordance with Chapter 7 (commencing with Section 18475), (2) has its right to participate in the Thrift Guaranty Corporation of California suspended or revoked pursuant to subdivision (a) of Section 18496 and it is not a member of the Federal Deposit Insurance Corporation, or (3) fails to pay any assessment levied pursuant thereto within the time specified.

(j) A member industrial loan company of Guaranty Corporation refuses to permit Guaranty Corporation, its appointed certified public accountant or public accountant, or specialized committees or employees to fulfill their duties under Section 18496.

(k) An industrial loan company has sold or issued investment certificates in violation of the provisions of this division.

(*l*) An industrial loan company has failed to maintain in effect a bond required under the provisions of this division.

(m) Any fact or condition exists which, if it had existed at the time of the original application for authority to organize and establish a corporation to engage in the industrial loan business reasonably would have warranted the commissioner in disapproving the application.

If the commissioner takes possession of the business and property of an industrial loan company, the company, with the consent of the commissioner, may resume business upon prescribed conditions.

SEC. 2.5. Section 18415 of the Financial Code is amended to read:

18415. The commissioner may take possession of the property and business of any industrial loan company and retain possession until the company resumes business or its affairs are liquidated if any of the following grounds exist:

(a) The capital of an industrial loan company is impaired.

(b) An industrial loan company has violated its articles of incorporation or any law of this state.

(c) An industrial loan company is conducting its business in an unsafe or unauthorized manner.

(d) An industrial loan company refuses to submit its books, papers and affairs to the inspection of any examiner.

(e) An officer of any industrial loan company refuses to be examined upon oath touching the concerns of such industrial loan company.

(f) An industrial loan company has suspended payment of its obligations.

(g) An industrial loan company is in such condition that it is unsound or unsafe for it to transact business.

(h) An industrial loan company neglects or refuses to observe any order of the commissioner made pursuant to this division, unless the enforcement of that order is restrained in a proceeding brought by the industrial loan company.

(i) An industrial loan company (1) fails to become and continue as either a member of the Federal Deposit Insurance Corporation or a member of the Thrift Guaranty Corporation of California in accordance with Chapter 7 (commencing with Section 18475), (2) has its right to participate in the Thrift Guaranty Corporation of California suspended or revoked pursuant to subdivision (a) of Section 18496 and it is not a member of the Federal Deposit Insurance Corporation, or (3) fails to pay any assessment levied pursuant thereto within the time specified.

(j) A member industrial loan company of Guaranty Corporation refuses to permit Guaranty Corporation, its appointed certified public accountant or public accountant, or specialized committees or employees to fulfill their duties under Section 18496.

(k) An industrial loan company has sold or issued investment certificates in violation of the provisions of this division

(*l*) An industrial loan company has failed to maintain in effect a bond required under the provisions of this division.

(m) Any fact or condition exists which, if it had existed at the time of the original application for authority to organize and establish a corporation to engage in the industrial loan business reasonably would have warranted the commissioner in disapproving the application.

(n) An application for membership in the Federal Deposit Insurance Corporation has not been filed with and accepted by the Federal Deposit Insurance Corporation on or before January 15, 1990.

If the commissioner takes possession of the business and property of an industrial loan company, the company, with the consent of the commissioner, may resume business upon prescribed conditions.

SEC. 3. Section 18506 of the Financial Code is amended to read:

18506. No person shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to its membership in Guaranty Corporation or that any of its thrift obligations are in any manner guaranteed.

SEC. 4. Section 18508 of the Financial Code is repealed.

SEC. 5. Section 18508 is added to the Financial Code, to read:

18508. An industrial loan company or its successor shall not be entitled to receive a refund, return, withdrawal, or distribution of the amount in its member's account or of any assessments paid by it except upon liquidation of Guaranty Corporation.

SEC. 6. Section 18509 of the Financial Code is repealed.

SEC. 7. Section 18509 is added to the Financial Code, to read:

18509. (a) Guaranty Corporation may elect to wind up and dissolve upon approval of the commissioner, the board, and the members in accordance with Section 8610 of the Corporations Code, after (1) each industrial loan company has become a member of the Federal Deposit Insurance Corporation or redeemed all of its outstanding thrift obligations or (2) Guaranty Corporation has satisfied its guarantee of thrift obligations as provided in this chapter.

(b) Upon liquidation, after complying with the provisions of Section 8713 of the Corporations Code and notwithstanding Section 8717 of the Corporations Code, the assets of Guaranty Corporation shall be distributed to its members, past and present, including special members, ratably based on the balance of the members' accounts, as established by resolution of the Board of Directors of Guaranty Corporation in accordance with the following:

(1) The account of each member, past and present, including special members, shall be credited with all assessments paid by the member to Guaranty Corporation.

(2) For each fiscal year, all current and prior expenses of administration of Guaranty Corporation shall be charged to the accounts of all members, past and present, including special members, ratably based on the balance of each account.

(3) With respect to the account of each member to whom Guaranty Corporation has advanced funds or on whose behalf Guaranty Corporation has paid claims and expenses, the following adjustments shall be made:

(A) The member's account shall be charged in the amount of the funds advanced or paid as of the date of advance or payment.

(B) If the amount advanced or paid exceeds the balance of the member's account, then (i) the member's account shall be deemed to have been closed, and the excess shall be allocated and charged ratably to the accounts of all other members, past and present, including special members, and (ii) if the member continued to operate after the date of the advance or payment, whether under new ownership or management or under the management of Guaranty Corporation, then a new member account shall, for purposes of this section, be deemed to have been established for the member with a zero balance, which shall be credited with subsequent assessments paid.

SEC. 8. Section 2.5 of this bill incorporates amendments to Section 18415 of the Financial Code proposed by both this bill and AB 987. It shall only become operative if (1) both bills are enacted and become effective on January 1, 1990, (2) each bill amends Section 18415 of the Financial Code, and (3) this bill is enacted after AB 987, in which case Section 2 of this bill shall not become operative.

CHAPTER 584

An act to amend Section 15278 of the Government Code, relating to telecommunications.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 15278 of the Government Code is amended to read:

15278. (a) There is hereby established within the department an advisory board comprised of individuals from academia, industry, and other sources of expertise outside of state government knowledgeable in telecommunications systems technology. The board shall consist of seven members appointed as follows: five by the Governor, one by the Speaker of the Assembly, and one by the Senate Rules Committee. The board shall meet monthly and shall be compensated at one hundred dollars ($100) per day plus expenses.

(b) The board shall advise the Director of General Services on all of the following:

(1) The development of policies, plans, standards, and designs.

(2) The operating practices of the telecommunications systems users.

(3) New technology, implementation, and uses of telecommunications for state government.

(c) The board shall review and comment to the Director of General Services on the report to the Legislature required by subdivision (h) of Section 15277.

(d) A member of the board shall not participate in the provision of any advice or recommendation to the Director of General Services which directly relates to any request for proposal, bid, contract proposal or modification, or procurement under consideration by the department in which the member has a financial interest.

(e) This section shall remain in effect only until January 1, 1993, and as of that date is repealed unless a later enacted statute, which is enacted before January 1, 1993, deletes or extends that date.

CHAPTER 585

An act to amend Section 20200 of the Water Code, and to amend Sections 451, 453, 454, 475, 476, 494, 603, and 605 of, and to add Section 333 to, the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977), relating to the water management districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 20200 of the Water Code is amended to read:

20200. As used in this chapter, "water district" means any district or other political subdivision, other than a city or county, a primary function of which is the irrigation, reclamation, or drainage of land or the diversion, storage, or distribution of water primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes. "Water districts" include, but are not limited to, irrigation districts, county water districts, California water districts, water storage districts, reclamation districts, county waterworks districts, drainage districts, water replenishment districts, levee districts, municipal water districts, water conservation districts, community services districts, water management districts, flood control districts, flood control and floodwater conservation districts, flood control and water conservation districts, and water agencies.

SEC. 1.5. Section 333 is added to the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977), to read:

Sec. 333. The board may authorize improvements to provide additional water to the district during any sudden or unexpected emergency in which the use of district water is restricted by an ordinance adopted pursuant to Section 332, and where the emergency improvement is required to prevent the actual or threatened loss or damage to life, property, or essential public services. If, after the conclusion of a public hearing, the board determines to proceed with a work or project to provide additional water during any such emergency, it shall adopt a resolution which calls an election to be held in the district on the question of proceeding with and financing the work or project. The resolution shall further establish election precincts in accordance with Section 603. A copy of any resolution proposed for approval at the conclusion of this hearing shall be published together with the hearing notice pursuant to Section 6066 of the Government Code. The resolution shall specify the work or project and contain an estimate of costs. The

resolution shall also set forth whether bonds, tax proceeds, assessments, or fees are to be used to finance the work or project and the amounts to be raised from each. The resolution shall refer to a map or maps showing the general location and general construction of the work or project and the areas benefited by the work or project. Improvements which may be authorized pursuant to this section shall be limited to pipes, mains, pumping facilities, wells, transmission facilities, filtration facilities, and treatment facilities. Emergency improvements shall not include the construction of dams, reservoirs, or river diversion structures. Assessments or fees to fund an emergency work or project shall not exceed costs related to the emergency improvement. The election shall be called and conducted in the manner prescribed in Article 2 (commencing with Section 471) of Chapter 8 as nearly as the same may be applicable, except that the election shall be conducted in the entire portion of the district benefited by the emergency improvement. If the emergency improvements are proposed to be funded by means other than a special tax levy or assessment upon real property, Chapters 7 (commencing with Section 431) and 8 (commencing with Section 451) shall be otherwise inapplicable to a district work or project authorized pursuant to this section.

SEC. 2. Section 451 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 451. (a) The board may employ competent registered civil engineers, under the supervision of the chief engineer, to investigate and carefully devise a plan or plans for the accomplishment of any of the purposes of this law, and to obtain such other information in regard thereto as may be determined to be necessary or useful for carrying out the purposes of this law. The board may direct the engineer or engineers to make and file reports from time to time with the board.

(b) The reports may contain, among other things, the following:

(1) A general description of the work proposed to be done, together with general plans, profiles, cross sections, and general specifications relating thereto, on each project or work.

(2) A general description of the lands, rights-of-way, easements, and property proposed to be taken, acquired, or injured in carrying out the project or work.

(3) A map or maps which shall show the location and zones, as may be required, of each project or work, which shall show the lands, rights-of-way, easements, and property to be taken, acquired, or injured in carrying out the project or work, and which shall show any other information in regard to the project or work that may be determined to be necessary or useful.

(4) An estimate of the cost of each project or work, including the cost of lands, rights-of-way, easements, and property proposed to be taken, acquired, or injured in carrying out the project or work, and all incidental expenses incurred or likely to be incurred in

connection therewith, including legal, clerical, engineering, superintendence, inspection, printing, and advertising expenses. The estimate shall also state the total amount of bonds, if any, necessary to be issued to pay for the project or work.

(c) The engineer or engineers shall, from time to time and as directed by the board, file with the board supplementary, amendatory, and additional reports and recommendations as necessity and convenience may require.

SEC. 3. Section 453 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 453. The board may institute works or projects for single zones, and joint works or projects for participating zones, for the financing, construction, maintaining, operating, extending, repairing, or otherwise improving any work or improvement of common benefit to the zone or participating zones. For the purpose of acquiring authority to proceed with any such work or project, the board shall adopt a resolution specifying its intention to undertake the work or project, incorporating estimates of cost of the work or project to be borne by the zone or participating zones. The resolution shall also set forth whether bonds, taxes, or assessments are to be used to finance the work or project, and the amounts to be raised for the project. If taxes or assessments are to be used to finance the project, the resolution shall specify the procedure to be followed, provided in Section 435, in order to levy the taxes or assessments. The resolution shall fix a time and place for public hearing on the resolution and shall refer to a map or maps showing the general location and general construction of the work or project. Notice of the hearing shall be given by publication pursuant to Section 6066 of the Government Code in a newspaper of general circulation published or circulated in the zone or participating zones. A copy of any resolution proposed for approval at the conclusion of this hearing shall be published together with the hearing notice pursuant to Section 6066 of the Government Code.

SEC. 4. Section 454 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 454. (a) At the time and place fixed for the hearing, or at any time to which the hearing may be continued, the board shall consider all written and oral objections to the proposed work or project, to the proposed methods and amounts of financing the work or project, and to the inclusion or exclusion of property within the proposed zone or participating zones.

(b) If, in the judgment of the board, evidence given at the public hearing indicates that changes in the proposed work or project or the methods and amounts of financing the work or project are necessary or desirable, the board may, at the conclusion of the hearing, adopt a resolution making changes in the proposed work or project and the methods and amounts of financing the work or project.

(c) At the conclusion of the hearing, unless the board abandons the proposed work or project, it shall exclude from the zone or participating zones all property which, in the judgment of the board, will not be benefited by the proposed work or project.

(d) At the conclusion of the public hearing, the board may adopt any of those resolutions required by Section 431, 471, 476, 601, or 603.

SEC. 5. Section 473 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 473. (a) The ballot for the election shall contain the following ballot measure:

Shall the proposed work or project for Zones No. ____ in the Monterey Peninsula Water Management District be approved?	Yes ☐ No ☐

(b) The ballot measure may further include the question of bond financing as may be required pursuant to Section 476.

SEC. 6. Section 476 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 476. (a) If the board determines that bonded indebtedness should be incurred to pay for any portion of the cost of a proposed work or project, the election required under this chapter shall be fully consolidated with the bond election without complying with the procedures for consolidation of elections set forth in the Elections Code, and the procedures for calling and conducting the bond election shall be applicable to both elections, and both propositions shall be included on the ballot for that election. In the case of a consolidated election, the resolution required under Section 603 shall constitute the notice of election required under this chapter and shall contain the information required under this chapter. If a majority of the voters voting in all of the zones participating in the election, considering the zones as a single unit rather than separately, vote in favor of approving the project, but the bond election fails, the board may proceed to pay the costs of the project out of the taxes or assessments levied under this act or from other sources excluding bonds.

(b) The board may consolidate in a single ballot measure both the project approval required pursuant to Section 473 and the bond approval required by Article 1 (commencing with Section 601) of Chapter 3 of Part 5.

SEC. 7. Section 494 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 494. Any improvement for which bonds are approved in an election under the provisions of this law, shall be made in conformity with the report and map as provided in Article 1 (commencing with Section 451), except when the doing of any of such work described in the report is prohibited by law or is rendered contrary to the best interests of the district, in which event the board may order necessary changes made in the proposed work or improvements and may cause any plans and specifications to be made and adopted therefor.

SEC. 8. Section 603 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 603. (a) The board shall call the special bond election by resolution and submit to the qualified electors of the zone or participating zones the proposition of incurring a bonded debt in the zone or participating zones in the amount and for the purposes stated in the resolution and shall recite therein the objects and purposes for which the indebtedness is proposed to be incurred; provided, that it shall be sufficient to give a brief, general description of those objects and purposes, and refer to the recorded copy of the resolution adopted by the board and on file pursuant to Section 601 for particulars. The resolution shall also state the estimated cost of the proposed work and improvements, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on that indebtedness, and shall fix the date on which the special election shall be held, and the form and contents of the ballot to be used For the purposes of the election, the board shall in the resolution establish special bond election precincts within the boundaries of each zone or participating zones and may form election precincts by consolidating the precincts established for general elections in the district to a number not exceeding six general precincts for each special bond election precinct, and shall designate a polling place and appoint one inspector, one judge, and one clerk for each of the special bond election precincts.

(b) In all particulars not recited in the resolution, the special bond election shall be held as nearly as practicable in conformity with the general election laws of the state.

SEC. 9. Section 605 of the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977) is amended to read:

Sec. 605. The resolution calling for a special bond election shall, prior to the date set for the election, be published in a newspaper of general circulation circulated in each zone or participating zones affected in accordance with Section 6064 of the Government Code. No other notice of the election need be given nor need sample ballots or polling place cards be issued

SEC. 10. This act is an urgency statute necessary for the immediate preservatior of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

In order to ensure that the Monterey Peninsula Water Management District will be able to provide critically needed additional water supply during the current drought emergency, it is necessary that this act take effect immediately.

CHAPTER 586

An act to amend Section 1247.9 of the Business and Professions Code, and to add Chapter 11 (commencing with Section 1794.01) to Division 2 of the Health and Safety Code, relating to hemodialysis.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1247.9 of the Business and Professions Code is amended to read:

1247.9. No person or entity shall provide chronic dialysis services to patients in this state unless the services are provided under the direction of a chronic dialysis clinic, licensed pursuant to Section 1204 of the Health and Safety Code, a home dialysis agency licensed pursuant to Chapter 11 (commencing with Section 1794.01) of Division 2 of the Health and Safety Code, or a general acute care hospital, licensed pursuant to Section 1250 of the Health and Safety Code.

SEC. 2. Chapter 11 (commencing with Section 1794.01) is added to Division 2 of the Health and Safety Code, to read:

CHAPTER 11. HOME DIALYSIS AGENCIES

1794.01. (a) The purposes of this chapter are to provide for the licensure of home dialysis agencies by the state department in order to ensure the health and safety of patients who receive hemodialysis in their homes and to permit qualified persons, political subdivisions of the state, and governmental agencies to comply with requirements of federal law regarding the provision of home dialysis services.

(b) In enacting this chapter, it is the intent of the Legislature to allow all qualified persons, political subdivisions of the state, and governmental agencies to provide home dialysis services to the people of California. It is also the intent of the Legislature to distinguish between the functions of a home dialysis agency and a home health agency licensed under Chapter 8 (commencing with Section 1725) and not to require a home dialysis agency to obtain licensure as, and perform the functions of, a home health agency. It is further the intent of the Legislature to require the State

Department of Health Services to establish standards of quality patient care for home dialysis agencies.

1794.02. As used in this chapter, the following definitions shall apply:

(a) "Chief administrative office" means a place located in this state where more than 50 percent of an agency's administrative tasks are performed.

(b) "Dialysis treatment record" means a dated, written notation by the person providing dialysis treatment which contains a description of all of the following:

(1) The signs and symptoms of the patient's health status.

(2) The machine parameters and pressure settings used during the treatment.

(3) The medications administered as part of the treatment.

(4) The patient's response to treatment.

(c) "Dietician" means a person who satisfies both of the following:

(1) Eligibility for registration with the American Dietetic Association.

(2) Satisfaction of the criteria specified in either paragraph (1) or (2) of subdivision (a) of Section 2585.

(d) "End stage renal disease" or "ESRD" means the stage of renal impairment that appears irreversible and permanent and requires regular dialysis treatment or kidney transplantation to maintain life.

(e) "Home" means a house, apartment, skilled nursing facility, intermediate care facility, congregate living facility, or other setting determined appropriate by the patient's physician and surgeon in consultation with the home dialysis agency and the patient. Only a location where dialysis is provided by at least one staff person per patient is included in this definition.

(f) "Home dialysis agency" or "agency" means a person, political subdivision of the state, or governmental agency which is engaged in providing dialysis treatments and other therapeutic services to patients in their homes.

(g) "Home dialysis services" means the treatment and care given to patients of a home dialysis agency which are administered by a physician and surgeon, a qualified registered nurse, a qualified licensed nurse, or a qualified hemodialysis technician pursuant to a patient care plan.

(h) "Interdisciplinary treatment team" means the patient's physician and surgeon, who shall be board certified or board eligible in nephrology, and a qualified registered nurse, a dietician, and a qualified social worker employed by the home dialysis agency and responsible for planning the care delivered to the patient.

(i) "Long-term program" means the written documentation of the selection of the home dialysis treatment suitable for the patient and the home setting which has been selected by the patient's physician and surgeon in consultation with the home dialysis agency and the patient.

(j) "Medical social service" means the initial and followup

psychosocial evaluation of the patient, and the provision of assistance to the patient with identifying and obtaining access to community resources that may be of assistance to the patient.

(k) "Nursing director" means a registered nurse who is licensed under Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code and has at least 18 months of experience or training in the care of patients with ESRD, including patients at an ESRD facility, which has occurred during the six-year period prior to the date the application for licensure under this chapter was filed.

(*l*) "Nursing service" means the provision of direct and indirect care which is associated with the treatment of existing or potential health problems and are provided to dialysis patients with end stage renal disease, including all of the following:

(1) The establishment of objectives for individualized patient care through an assessment of the patient and the patient's nursing history.

(2) The supervision and coordination of care for dialysis patients with end stage renal disease by a qualified registered nurse pursuant to a patient's physician and surgeon's orders.

(3) Teaching the patient about renal diseases, medications, and the scope of nursing services offered to the patients by the home dialysis agency.

(m) "Nutritional counseling" means the assessment of the patient's nutritional status, the instruction of the patient in proper nutrition, and the maintenance of ongoing nutritional followup care for patients as determined necessary by the state department.

(n) "Patient care plan" means a written document prepared by the interdisciplinary treatment team for a patient that satisfies the requirements of subdivision (d) of Section 1794.11.

(o) "Qualified hemodialysis technician" means a person certified by the state department pursuant to Article 3.5 (commencing with Section 1247) of Chapter 3 of Division 2 of the Business and Professions Code and who also satifies the requirements specified in Sections 1794.14 and 1794.15.

(p) "Qualified licensed nurse" means a registered nurse who is licensed under Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code or a licensed vocational nurse who is licensed under Chapter 6.5 (commencing with Section 2840) of Division 2 of the Business and Professions Code, and who also satisfies the requirements specified in Section 1794.15.

(q) "Qualified registered nurse" means a registered nurse who is licensed under Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code and who has at least 12 months of experience providing direct nursing care to patients and at least an additional six months of experience in providing nursing care to patients with ESRD.

(r) "Qualified social worker" means a person who satisfies either of the following:

(1) A person who is licensed as a clinical social worker under Chapter 14 (commencing with Section 4990) of Division 2 of the Business and Professions Code.

(2) A person who holds a master's degree in social work and who has provided medical social services for at least one year in a dialysis treatment unit or a kidney transplantation program.

1794.03. (a) No person, political subdivision of the state, or governmental agency, which is not operating a home dialysis agency as of January 1, 1990, shall establish or operate a home dialysis agency without first obtaining a license under this chapter.

(b) Any person, political subdivision of the state, or governmental agency, which was operating a home dialysis agency as of January 1, 1990, may continue to operate the home dialysis agency only under the following conditions:

(1) The person, political subdivision of the state, or governmental agency shall apply to the state department for a license under this chapter within 60 days after forms for the application of licensure under this chapter are available from the state department.

(2) The person, political subdivision of the state, or governmental agency shall cease operating the home dialysis agency upon a final decision of the state department upholding the state department's denial of an application for licensure under this chapter.

1794.04. Except as otherwise provided in subdivision (b) of Section 1974.03, no person, political subdivision of the state, or governmental agency shall provide home dialysis services unless a license has been issued under this chapter. Any person, political subdivision of the state, or governmental agency desiring a license for a home dialysis agency under this chapter shall file with the state department a verified application on a form prescribed and furnished by the state department which contains any information as may be required by the state department for the proper administration and enforcement of this chapter.

1794.05. To qualify for a license under this chapter, an applicant shall satisfy all of the following:

(a) Be of good moral character. If the applicant is a franchise, franchisee, firm, association, organization, partnership, business trust, corporation, company, political subdivision of the state, or governmental agency, the person in charge of the home dialysis agency for which application for license is made shall be of good moral character.

(b) Demonstrate the ability of the applicant to comply with this chapter and any rules and regulations promulgated under this chapter by the state department.

(c) Have a governing body selected by the applicant to govern the services which the agency will provide and which is composed of a group of persons licensed pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, including at least one physician and surgeon with at least two years of experience treating patients with end stage renal disease and at least one

registered nurse with at least two years' experience treating patients with end stage renal disease. The governing body of the agency shall appoint a nursing director after issuance of a license under this chapter but prior to commencing operation of the agency. The minutes of all meetings of the governing body of the agency shall be retained by the agency, be on file at the chief administrative office of the agency, and be available for inspection by the state department.

(d) File a completed application with the state department which was prescribed and furnished pursuant to Section 1794.04.

1794.06. (a) Each application for a license under this chapter shall be accompanied by a fee in an amount determined by the state department that is sufficient to cover the cost of processing the application.

(b) In addition to the fee specified in subdivision (a), the state department shall establish and adjust annually a biennial license fee for home dialysis agencies that is sufficient to cover the costs of administering this chapter.

1794.07. (a) Upon filing an application for licensure under this chapter and compliance with this chapter and the rules and regulations adopted by the state department under this chapter, the state department shall issue to the applicant a license to operate a home dialysis agency. Any fees required pursuant to Section 1794.06 shall be paid before a license is issued. Licensure also may be denied by the state department as specified in Section 1794.25.

(b) Each license issued under this chapter shall expire 24 months from the date of its issuance.

(c) A biennial application for the renewal of a license, accompanied by any fee required pursuant to subdivision (c) of Section 1794.06 shall be filed with the state department no less than 30 days prior to the expiration date of the license. The failure to file an application for renewal within the time required by this subdivision shall result in the expiration of the license.

1794.08. (a) A home dialysis agency for which a license has been issued may, at the state department's option, be periodically inspected by a duly authorized representative of the state department. Reports of each inspection shall be prepared by the representative conducting it upon forms prepared and furnished by the state department and filed with the state department. The inspection shall be for the purpose of ensuring that this chapter and the rules and regulations of the state department adopted under this chapter are being followed.

(b) Any officer, employee, or agent of the state department may enter and inspect any building or premises where dialysis is being performed, record, or file of a licensee at any reasonable time to assure compliance with, or to prevent violation of, any provision of this chapter.

1794.09. Each home dialysis agency shall do all of the following:

(a) Have policies established by the governing body to govern the

services which the agency provides. The policies shall be written and include, but not be limited to, policies related to patient care, personnel, personnel training and orientation, personnel supervision, and evaluation of services provided by the agency.

(b) Maintain the following clinical records on each patient:

(1) A medical history and physical provided by the patient's physician and surgeon. The physical shall be updated annually, and the annual update shall be maintained in the patient's medical files.

(2) Clinical progress notes written by the patient's physician and surgeon, a qualified registered nurse, a qualified social worker, and a dietician. In addition, if any home dialysis services are provided by a qualified licensed nurse or a qualified hemodialysis technician, clinical progress notes shall be maintained that were written by the qualified hemodialysis technician, the qualified licensed nurse, or both the qualified hemodialysis technician and qualified licensed nurse.

(3) Dialysis treatment records.

(4) Laboratory reports.

(5) Patient care plan.

(6) Patient's long-term program.

(7) Documentation of any supervisory visit made by a qualified registered nurse or other person.

(8) A record of treatments prescribed by the patient's physician and surgeon.

(c) Have an effective procedure for each patient, agreed upon with the patient's physician and surgeon, for the immediate transfer of the patient to a general acute care hospital if emergency medical care is needed. The agency shall provide for the exchange of medical and other information necessary or useful in the care and treatment of patients who have been transferred to a general acute care hospital, including the patient care plan and long-term program.

(d) Ensure that the names of patients awaiting cadaveric donor kidney transplantation are entered in a participating recipient registry program.

(e) An interdisciplinary care team or a combination of more than one interdisciplinary care teams shall develop written criteria to guide the agency in the selection of patients suitable for home dialysis services and in specifying changes in a patient's condition which would require termination of home dialysis services.

1794.10. (a) The nursing director of the home dialysis agency shall be responsible for the following:

(1) Assuring adequate training of qualified registered nurses, qualified licensed nurses, and qualified hemodialysis technicians in dialysis techniques.

(2) Assuring adequate monitoring of patients and dialysis treatments.

(3) Determining whether treatment shall be given by a qualified registered nurse, a qualified licensed nurse, or a qualified hemodialysis technician, and assigning these personnel, as

appropriate, to provide care.

(4) Assuring the development of a patient care policies and procedures manual, the availability of the manual to the employees of the agency, and the implementation of the policies and procedures contained in the manual.

(b) The agency shall maintain on file the following information regarding the nursing director:

(1) A curriculum vitae of the nursing director which documents undergraduate and all relevant postgraduate training.

(2) Evidence of current licensure of the nursing director under Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code.

(3) Evidence of the nursing director's minimum of 18 months of experience or training in the care of patients with ESRD, including patients at an ESRD facility, which has occurred during the six-year period prior to the date the application for licensure under this chapter was filed.

1794.11. (a) Prior to the performance of the first home dialysis service for a patient, a qualified registered nurse shall perform an assessment of the patient's home to ensure a safe physicial environment for the performance of dialysis. In addition, if there is a change in the dialysis setting, such as a change in the patient's home, prior to the performance of the first dialysis service in the new setting, a qualified registered nurse shall perform an assessment of the patient's home to ensure a safe physical environment for the performance of dialysis.

(b) Prior to the performance of any dialysis treatment, the home dialysis agency shall obtain orders from a patient's physician and surgeon which outline the specifics of prescribed treatment. If these orders are received verbally, they shall be confirmed by the agency to the patient's physician and surgeon within 14 days of the physician and surgeon's verbal order. Orders by a patient's physician and surgeon shall be reviewed and updated at least every six months and also shall be revised as necessary.

(c) The initial orders from the patient's physician and surgeon for home dialysis services shall be received prior to the first treatment and shall include the patient's diagnosis, including, but not limited to, the patient's mental status, the prognosis of the patient, and functional limitations of the patient. The initial orders also shall include activities permitted by the patient, nutritional requirements of the patient, medications and treatments to be given to the patient, and any safety measures to be taken to protect the patient against injury. Orders from a patient's physician and surgeon for home dialysis services shall include the frequency and length of treatment, weight to be maintained by the patient, the type of dialyzer, the dialysate heparin dosage, and the blood flow rate. The physician may consult with the nursing director to determine whether the treatment may be given by a qualified registered nurse, a qualified licensed nurse, or a qualified hemodialysis technician.

(d) Each patient of a home dialysis agency shall have a patient care plan to personalize the care to be given to the patient, to reflect ongoing psychological, social, and functional needs of the patient, and to enable short- and long-term goals to be met. The patient care plan shall be developed after consultation with the patient, the patient's family, or both the patient and the patient's family by the interdisciplinary treatment team. The plan shall implement the orders of the patient's physician and surgeon and shall include an identification of the patient's problems, methods of intervention in treating the problems, potential services to be given to the patient, and the assignment of agency personnel to care for the patient. The initial patient care plan shall be completed by the interdisciplinary treatment team within 10 days after the first home dialysis treatment. The patient care plan for nonstabilized patients, including, but not limited to, patients with changes in treatments, changes in laboratory values, weight gains, and infections, shall be reviewed at least monthly by the interdisciplinary treatment team. For a stable patient, the patient care plan shall be reviewed at least every six months by the interdisciplinary treatment team.

(e) Each patient of a home dialysis agency shall have a long-term program. The long-term program shall be revised as needed and reviewed by the interdisciplinary treatment team at least annually.

(f) Medication shall be administered by a qualified registered nurse, qualified licensed nurse, or a qualified hemodialysis technician only if that medication has been ordered by the patient's physician and surgeon. A record of the administration of medication shall be entered in the dialysis treatment record by the person administering the medication.

1794.12. (a) A home dialysis agency shall, at a minimum, provide nursing services, nutritional counseling, and medical social services. Nursing services and nutritional counseling shall be provided either at the patient's home or, if there is no health risk to the patient, as determined by a qualified registered nurse, by telephone. Medical social services shall be provided at the patient's home or, if there is no risk to the patient, as determined by a qualified social worker in consultation with a qualified registered nurse, by telephone.

(b) The nursing director shall designate a qualified registered nurse to be available by telephone whenever dialysis treatments are in progress in a patient's home. The nursing director also shall designate an alternate qualified registered nurse who also shall be available by telephone in the event that the first qualified registered nurse is not available.

(c) A qualified social worker shall be employed by, or under contract with, the agency to provide medical social services to patients.

(d) A dietician shall be employed by, or under contract with, the agency to provide nutritional counseling services to patients.

(e) Training of personnel to recognize and respond to emergency conditions shall be provided by the agency to persons providing

home dialysis treatments.

1794.13. (a) A qualified hemodialysis technician, a qualified licensed nurse, or a qualified registered nurse may be employed or under contract with the home dialysis agency except that no such individual may work under contract with an agency for more than 20 hours per week for more than six months unless at least one of the following requirements is met:

(1) The individual has continuously been, and remains, an employee of another entity, such as a nurses' registry or other employment agency, and receives the rights and protections of an employee.

(2) The individual, who is not an employee, receives all the rights, benefits, and protections accorded to other full-time, permanent employees in a similar classification. For purposes of this chapter, all requirements applicable to employees of an agency shall apply to a qualified hemodialysis technician, a qualified licensed nurse, a qualified registered nurse, a qualified social worker, or dietician under contract with the agency.

(b) A qualified hemodialysis technician, a qualified licensed nurse, or a qualified registered nurse may administer home dialysis treatments to a patient only if the requirements of this chapter are satisfied.

(c) Every employee of a home dialysis agency shall be tested for hepatitis prior to employment. In addition, every employee providing patient care shall have a physical at least annually.

(d) All qualified hemodialysis technicians, qualified licensed nurses, and qualified registered nurses employed by an agency shall have current CPR certification.

(e) A home dialysis agency shall do performance evaluations of the nursing director and each qualified registered nurse, qualified licensed nurse, qualified hemodialysis technician, qualified social worker, and dietician employed by the agency at least annually.

1794.14. (a) A qualified hemodialysis technician shall be certified by the state department pursuant to Article 3.5 (commencing with Section 1247) of Chapter 3 of Division 2 of the Business and Professions Code and also shall satisfy either of the following requirements:

(1) A minimum of a high school education or passage of a general educational development (GED) test, and one year of full-time experience performing dialysis.

(2) Eighteen months of full-time experience performing dialysis.

(b) If the qualified hemodialysis technician is going to perform peritoneal dialysis, including, but not limited to, intermittent peritoneal dialysis, continuous ambulatory peritoneal dialysis, or continuous cycles peritoneal dialysis, then he or she, in addition to the requirements of subdivision (a), shall have at least six months of full-time experience performing peritoneal dialysis.

(c) A qualified hemodialysis technician shall not do any of the following:

(1) Administer blood, blood products, antibiotics, albumin, or insulin.

(2) Draw arterial blood gases.

(3) Administer mesylate.

(4) Initiate patient home education on dialysis procedures, diagnosis, safety, or medications. The initial home education of a patient shall be provided by a qualified registered nurse. However, after the initial home education is provided by a licensed nurse or a registered nurse, the qualified dialysis technician may provide education on dialysis procedures and safety.

(d) A qualified hemodialysis technician shall only administer the following medications:

(1) Lidocaine which shall only be administered subcutaneously.

(2) Heparin which shall only be administered intravenously.

(3) Saline solution which shall only be administered intravenously.

(4) Upon request for assistance with medications by a patient, a patient's family, or both the patient and the patient's family, a qualified registered nurse employed by the agency may assign a qualified hemodialysis technician to assist with the administration of oral medications necessary for the performance of dialysis which normally would be self-administered by a patient. The request shall be documented in the patient's treatment record by the qualified registered nurse assigning the task.

(5) Any other medication that the state department finds is routinely necessary for the performance of dialysis and which may be safely administered by a qualified hemodialysis technician.

1794.15. (a) Qualified hemodialysis technicians and qualified licensed nurses shall receive orientation and training and shall demonstrate knowledge of the following:

(1) Anatomy and physiology of the normal kidney.

(2) Fluid, electrolyte, and acid-base balance.

(3) Pathophysiology of renal disease.

(4) Acceptable laboratory values for the patient with renal disease.

(5) Theoretical aspects of dialysis.

(6) Vascular access and maintenance of blood flow.

(7) Technical aspects of dialysis.

(8) If the person is going to be performing peritoneal dialysis, the peritoneal dialysis catheter and peritoneal dialysis clearance.

(9) The monitoring of clients during the initiation of treatment, the treatment itself, and the termination of treatment.

(10) The recognition of dialysis complications, emergency conditions, and the institution of the appropriate corrective action, including the use of emergency equipment for emergency conditions.

(11) Psychological, social, financial, and other aspects related to long-term dialysis.

(12) Care of the client with chronic renal failure.

(13) Dietary modifications and medications for the uremic patient.

(14) Alternative forms of treatment for ESRD.

(15) The role of renal health team members including, the physician and surgeon, qualified licensed nurse, qualified hemodialysis technician, qualified social worker, and dietitian.

(16) Performance of the following laboratory tests:

(A) Hematocrit.

(B) Clotting time.

(C) Blood glucose.

(17) The theory of blood products and blood administration.

(18) Standards regarding infection control developed by the California Occupational Safety and Health Administration.

(b) A home dialysis agency shall develop an 80-hour orientation and training program, which includes a classroom component that covers theory, written assignments, and direct observations of a qualified registered nurse, qualified licensed nurse, or qualified hemodialysis technician performing hemodialysis treatments on a patient in his or her home. The orientation and training shall be provided by a qualified registered nurse.

(c) If a qualified hemodialysis technician or qualified licensed nurse is able to demonstrate knowledge of the theory of those subjects specified in subdivision (a) by written examination, then the classroom component of the training program required by subdivision (a) may be waived by the home dialysis agency.

(d) A qualified registered nurse shall directly supervise a qualified hemodialysis technician or qualified licensed nurse for a minimum of three dialysis treatments prior to the qualified hemodialysis technician or qualified licensed nurse independently performing dialysis treatments. The qualified registered nurse who provided the direct supervision shall complete an orientation skills checklist relating to the qualified hemodialysis technician or qualified licensed nurse to assure that the level of his or her performance of dialysis treatments is of the quality to enable him or her to perform dialysis treatments independently. Depending upon the qualified dialysis technician's or qualified registered nurse's level of performance reflected on the skills checklist, additional supervised dialysis treatments may be required.

(e) A qualified registered nurse shall directly supervise at a patient's home each qualified hemodialysis technician and qualified licensed nurse employed by the agency at least monthy and more often if determined necessary by a qualified registered nurse.

(f) A home dialysis agency shall provide continuing education for qualified hemodialysis technicians and qualified licensed nurses employed by the agency at least semiannually.

1794.16. (a) Hematocrits, clotting times, and blood glucose tests may be performed at the patient's home by a qualified hemodialysis technician, qualified licensed nurse, or qualified registered nurse.

(b) Maintenance, calibration, and quality control studies of all

laboratory equipment utilized to perform the laboratory tests specified in subdivision (a) shall be performed according to the equipment manufacturer's suggestions, and the records and any results of the maintenance, calibration, and quality control studies shall be maintained in the records of the agency at its chief administrative office.

(c) Except as provided in subdivision (a), all laboratory services ordered for the patient by the patient's physician and surgeon shall be performed by a clinical laboratory licensed pursuant to Chapter 3 (commencing with Section 1200) of Division 2 of the Business and Professions Code, or a facility located outside of the State of California that is licensed to engage in interstate commerce in accordance with subdivision (a) of Section 262 of Title 42 of the United States Code. The services provided by the clinical laboratory shall be performed in accordance with a written agreement or arrangement that the clinical laboratory has with the home dialysis agency.

(d) Copies of all laboratory reports shall be maintained in the patient's clinical record.

1794.17. (a) All drugs, biologics, and medical devices furnished by the home dialysis agency shall be obtained for each patient pursuant to the orders of a licensed physician and surgeon and in accordance with law.

(b) It shall be the agency's responsibility, in conjunction with the patient's physician and surgeon, to ensure that there are sufficient supplies maintained in each patient's home to perform the scheduled home dialysis services. In addition, backup supplies shall be maintained in each patient's home for replacements, if needed, for any purpose, including, but not limited to, breakage, contamination, or a defective product.

(c) All dialysis supplies, including drugs and biologics, shall be delivered directly to the patient's home by a vendor of the supplies. However, personnel of the agency may transport dialysis supplies, including drugs and biologics, from a vendor's place of business to the patient's home for the patient's convenience if the item is properly labeled with the patient's name and direction for use.

(d) There shall be no reuse or reprocessing of disposable medical devices, including, but not limited to, dialyzers, end caps, and blood lines.

1794.18. (a) A planned program for preventative maintenance of home dialysis equipment shall be established by a home dialysis agency to ensure the delivery of quality patient care. The program shall be in accordance with the equipment manufacturer's suggestions and as often as necessary. In the absence of specific manufacturer's suggestions, preventative maintenance shall be in accordance with the guidelines published by the Emergency Care Research Institute on Health Devices, July 1978, Volume 7, Number 9, and as subsequently revised. Copies of these guidelines shall be filed in the chief administrative office of an agency and shall be made

available for public inspection during the agency's regular working hours.

(b) In the event that the water used for dialysis purposes or home dialysis equipment is found not to meet safe operating parameters and corrections cannot be done promptly to ensure safe patient care, the patient shall be transferred to a facility that can perform the dialysis treatments until the time when the water or equipment is found to be operating within safe parameters.

(c) Records of equipment maintenance required pursuant to this section shall be maintained at the chief administrative office of the agency.

1794.19. (a) Except as provided in subdivision (b), a home dialysis agency shall have water used for home dialysis treatments analyzed at least annually and treated as necessary to maintain a continuous water supply that is biologically and chemically compatible with acceptable dialysis techniques as determined by the state department.

(b) Water used to prepare dialysate shall meet the requirements set forth in Sections 3.2 and 4.2 of the American National Standards for Hemodialysis Systems, as revised, published by the Association for the Advancement of Medical Instrumentation and as approved by the American National Standards Institute, Inc., and as subsequently revised. The frequency of monitoring water purity for water used to prepare dialysate shall be in accordance with the suggestions in Section B5 of Appendix B of these standards. Copies of Sections 3.2 and 4.2 and Section B5 of Appendix B of the standards shall be filed in the chief administrative office of an agency and shall be available for public inspection during the agency's regular working hours.

(c) Records of test results performed pursuant to subdivisions (a) and (b) shall be maintained at the chief administrative office of the agency.

1794.20. A home dialysis agency shall ensure that infectious waste, as defined in Section 25117.5, including, but not limited to, needles, syringes, artificial kidneys, arterial and venous lines, and any other blood contaminated material, is removed from the patient's home and disposed of in a lawful manner.

1794.21. (a) A home dialysis agency shall have written policies and procedures for emergencies which address fire, natural disaster, and medical emergencies.

(b) An agency shall familiarize the employees of the agency and each patient of the agency with the policies and procedures specified in subdivision (a). Emergency procedures shall be individualized for each patient to include an appropriate evacuation from the patient's home and the emergency telephone numbers needed for each patient.

(c) An agency shall make each patient familiar with the procedure for disconnecting the patient's dialysis equipment in the event of an emergency.

(d) In the event of a medical emergency, an agency shall

telephone the patient's physician and surgeon and follow his or her instructions. If the patient's physician and surgeon is not available and no other physician and surgeon is available who has been designated by the patient's physician and surgeon, then the agency shall telephone the nearest hospital emergency room and seek instruction from the emergency room.

1794.22. An agency shall provide to each patient a statement of the patient's rights and responsibilities, which shall include the following:

(a) The patient's right to be informed of all rules and regulations governing patient conduct and responsibilities, services available in the patient's home which are provided by the agency, and the patient's medical condition.

(b) The patient's opportunity to participate in the planning of his or her medical treatment.

(c) The patient's right to the confidential treatment of his or her clinical records and all information obtained by the agency, including, but not limited to, personal items observed in the home.

(d) The right to have assistance and understanding in exercising his or her patient's rights.

(e) There shall be a written grievance procedure under which the patient may file a grievance concerning the agency or its personnel and under which the patient can participate without fear of reprisal by the agency. Steps to resolve a grievance within the agency shall be outlined and instructions provided to allow the patient to contact the state department if a dispute is not resolved with the agency.

(f) All agencies licensed pursuant to this chapter or paragraph (2) of subdivision (b) of Section 1204 providing services to patients with end stage renal disease shall provide every patient, during the first treatment session, with information regarding other modalities of care, including in-center dialysis, home dialysis, peritoneal dialysis, and the potential for transplantation.

1794.23. The state department shall adopt, amend, or repeal, in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, reasonable rules and regulations as may be necessary or proper to carry out the purposes and intent of this chapter and to enable the state department to exercise the powers and perform the duties conferred upon it by this chapter.

1794.24. Any licensee may, with the approval of the state department, surrender his or her license for suspension or cancellation by the state department. Any license suspended or cancelled pursuant to this section may be reinstated by the state department on receipt of an application showing compliance with this chapter.

1794.25. The state department may deny any application for, or suspend or revoke any license issued under this chapter upon any of the following grounds:

(a) Violation by the applicant or licensee of any provision of this

chapter or any rules and regulations promulgated by the state department under this chapter.

(b) Any felony conviction of the applicant or licensee for the violation of any law of this state.

(c) Any conviction of the applicant or licensee for aiding, abetting, or permitting the commission of any act that is a felony in this state.

(d) The applicant's or licensee's misrepresentation of a material fact in the application for a license under this chapter.

1794.26. (a) Proceedings for the denial, suspension, or revocation of licenses under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. In the case of a conflict between this chapter and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, Chapter 5 (commencing with Section 11500) shall control.

(b) The suspension, expiration, or forfeiture by operation of law of a license issued by the state department under this chapter, its suspension or cancellation by order of the state department or by order of a court of law, or its surrender without the written consent of the state department shall not deprive the state department of its authority to institute or continue any disciplinary proceeding against the licensee pursuant to this chapter.

(c) Any license revoked pursuant to this chapter may be reinstated pursuant to the provisions of Section 11522 of the Government Code.

1794.27. Any person who violates any provision of this chapter or any rule or regulation promulgated under this chapter is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not to exceed five hundred dollars ($500), by imprisonment in the county jail for a period not to exceed 180 days, or by both the fine and imprisonment.

1794.28. The state director may bring an action to enjoin the violation or threatened violation of Section 1794.04 in the superior court in and for the county in which the violation occurred or is about to occur. Any proceeding under this section shall conform to the requirements of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that the state director shall not be required to allege facts necessary to show or tending to show the lack of an adequate remedy at law or to allege facts necessary to show or tending to show irreparable damage or loss.

1794.29. The district attorney of every county shall, upon application by the state department or its authorized representative, institute and conduct the prosecution within his or her county of any action for violation of this chapter.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district

will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 587

An act to amend Sections 8152 and 8388 of, to add Section 8026 to, and to repeal Sections 8016, 8565, and 8586 of the Fish and Game Code, relating to commercial fishing, and making an appropriation therefor.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 8016 of the Fish and Game Code is repealed.

SEC. 2. Section 8026 is added to the Fish and Game Code, to read:

8026. (a) The commission may require the owner and operator of a commercial fishing vessel, the holder of a commercial fishing license or permit, and the owner and licenseholder of a commercial passenger fishing boat to keep and submit a complete and accurate record of fishing activities in a form prescribed by the department.

(b) In addition to the penalty specified in subdivision (a) of Section 12002, failure to keep and submit records pursuant to subdivision (a) may result in the revocation or suspension of a license or permit by the department or the commission, when recommended by the department, for a period not to exceed one year.

SEC. 3. Section 8152 of the Fish and Game Code is amended to read:

8152. (a) In addition to any other provision of this article, 350 tons of sardines may be taken and possessed for live bait purposes during any calendar year. Sardines may not be taken or possessed for live bait purposes except under a revocable, nontransferable permit issued by the department to a live bait fisherman upon application.

(b) The department shall keep records of the catch and when it appears that the 350-ton limit will be reached, it shall notify all permitholders of the date when that limit will be reached and after which no sardines may be taken under this section, and shall notify, by certified mail, all permittees of the closure.

(c) The permit may be revoked or suspended by the commission, when requested by the department, upon a conviction for a violation of this article.

(d) If 350 tons of sardines are taken for live bait purposes under this section, sardines may continue to be taken for live bait purposes, as provided for in Sections 8150.5 and 8151.

(e) This section shall become inoperative on July 1, 1991, and, as of January 1, 1992, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1992, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 8388 of the Fish and Game Code is amended to read:

8388. (a) No female angel shark measuring less than 42 inches in total length or 15 ¼ inches in alternate length and no male angel shark measuring less than 40 inches in total length or 14 ½ inches in alternate length may be possessed, sold, or purchased, except that 10 percent of the angel sharks in any load may measure not more than ½ inch less than the minimum sizes specified herein.

(b) Angel shark total length shall be measured from the anterior end of the head to the tip of the tail while the fish is lying in a position of natural repose. When measuring total length or alternate length, the tip of the tail may be laid flat against the surface of the measuring device. Angel shark alternate length shall be measured from the point where the leading edge of the first dorsal fin meets the back to the tip of the tail. Angel sharks may be constrained from lateral movement during measurement by restraining devices approved by the department.

(c) Angel sharks taken in gill or trammel nets shall be landed (brought ashore) with at least one intact pelvic fin and the tail fin attached.

(d) Angel sharks taken in gill or trammel nets shall not be transferred to or from another vessel, except that angel sharks may be transferred to or from vessels with a department observer on board. An observer shall observe and make a written record of that transfer.

(e) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute which is enacted before January 1, 1992, deletes or extends that date.

SEC. 5. Section 8565 of the Fish and Game Code is repealed.

SEC. 6. Section 8586 of the Fish and Game Code is repealed.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 588

An act to add Section 25240 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares:

(a) That wine produced in the Napa Valley from grapes grown in the Napa Valley has national and international recognition.

(b) That Napa Valley was designated a viticultural area in 1981 by the federal government which designation authorizes growers and vintners whose wine is derived at least 85% from grapes grown in the Napa Valley, to label their wines as Napa Valley wines.

(c) That since 1981 a few smaller areas have acquired separate viticultural area designations, notwithstanding that the areas are either entirely or partially within the Napa Valley and several other areas that lie within Napa Valley are being proposed.

(d) That the proliferation of viticultural areas within the Napa Valley has the potential of diminishing the historical, agricultural, and economic importance of the Napa Valley winegrowing area and confusing consumers.

(e) That it is necessary to require wines produced within the Napa Valley to be labeled as being derived from that valley, if the wine label indicates that they are produced within a separate viticultural area within the Napa Valley, in order to preserve consumer identification and understanding of the name "Napa Valley" and to protect this important state agricultural resource and wine products derived from that area.

SEC. 2. Section 25240 is added to the Business and Professions Code, to read:

25240. Any wine labeled with a viticultural area appellation of origin established pursuant to Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations, other than the viticultural area "Napa Valley," and which is located entirely within a county of the 29th class, shall bear the designation "Napa Valley" on the label in direct conjunction therewith in a type size not smaller than 1mm less than that of the viticultural area designation provided neither designation is smaller than 2mm on containers of more than 187ml or smaller than 1mm on containers of 187ml or less. This requirement shall apply to all wines bottled on or after January 1, 1990.

The department may suspend or revoke the license of any person who violates this section

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the

only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 589

An act to amend Sections 17556, 17561, 17568, 17615.2, 17615.3, 17615.4, and 17615.5 of the Government Code, and to repeal Sections 2207 and 2207.5 of the Revenue and Taxation Code, relating to state-mandated local programs.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17556 of the Government Code is amended to read:

17556. The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds that:

(a) The claim is submitted by a local agency or school district which requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district which requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this paragraph.

(b) The statute or executive order affirmed for the state that which had been declared existing law or regulation by action of the courts.

(c) The statute or executive order implemented a federal law or regulation and resulted in costs mandated by the federal government, unless the statute or executive order mandates costs which exceed the mandate in that federal law or regulation.

(d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service.

(e) The statute or executive order provides for offsetting savings to local agencies or school districts which result in no net costs to the local agencies or school districts, or includes additional revenue that

was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate.

(f) The statute or executive order imposed duties which were expressly included in a ballot measure approved by the voters in a statewide election

(g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

SEC. 1.5. Section 17561 of the Government Code is amended to read:

17561. (a) The state shall reimburse each local agency and school district for all "costs mandated by the state," as defined in Section 17514.

(b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows:

(A) Any statute mandating these costs shall provide an appropriation therefor.

(B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill which is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts.

(2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor's Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor's Budget and in the accompanying Budget Bill subsequent to the enactment of the local government claims bill pursuant to Section 17600 which includes the amounts awarded relating to these chaptered bills or executive orders.

(c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement.

(d) The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies who would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows:

(1) When funds are appropriated to reimburse costs mandated by the state for the initial fiscal year during which these costs will be incurred, each local agency or school district to which the mandate

is applicable shall submit to the Controller, within 120 days of the operative date of the mandate, or, if the commission is requested to do so pursuant to Section 17571, within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller, whichever is later, a claim for payment of its estimated costs required by the mandate for the current fiscal year. If the local agency or school district does not submit the claim within the 120-day period, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, and (B) may reduce any claim which the Controller determines is excessive or unreasonable.

(2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim, which the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years.

(3) When funds are appropriated to the Controller to reimburse costs mandated by the state, not otherwise funded, claims for initial year costs, and subsequent years for which costs have been incurred prior to the enactment of the claims bill, shall be filed within 120 days from the date on which the Controller issued claiming instructions on funded mandates contained in the claims bill. When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount which would have been allowed had the claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars ($1,000). The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case shall a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates contained in a claims bill. These claims shall be based upon parameters and guidelines issued by the commission and as approved by the Legislature. The Controller shall promptly notify the relevant local agencies or school districts subsequent to enactment of the claims bill of the right to file these claims.

SEC. 2. Section 17568 of the Government Code is amended to read:

17568. If a local agency or school district submits an otherwise

valid reimbursement claim to the Controller after the deadline specified in Section 17560, the Controller shall reduce the reimbursement claim in an amount equal to 10 percent of the amount which would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars ($1,000). In no case shall a reimbursement claim be paid which is submitted more than one year after the deadline specified in Section 17560. Estimated claims which were filed by the deadline specified in that section shall be paid in full before payments are made on estimated claims filed after the deadline. In the event the amount appropriated to the Controller for reimbursement purposes is not sufficient to pay the estimated claims approved by the Controller, the Controller shall prorate those claims in proportion to the dollar amount of approved claims filed after the deadline and shall report to the commission or the Legislature in the same manner as described in Section 17566 in order to assure appropriation of funds sufficient to pay those claims.

SEC. 3. Section 17615.2 of the Government Code is amended to read:

17615.2. (a) Notwithstanding Section 17561, after November 30, 1985, for those programs included in the State Mandates Apportionment System, after approval by the commission, there shall be disbursed by the Controller to each local agency and school district which has submitted a reimbursement claim for costs mandated by the state in the 1982–83, 1983–84, and the 1984–85 fiscal years, or any three consecutive fiscal years thereafter, an amount computed by averaging the approved reimbursement claims for this three-year period. The amount shall first be adjusted according to any changes in the deflator. The deflator shall be applied separately to each year's costs for the three years which comprise the base period. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1985 and the Budget Act for any subsequent fiscal year thereafter.

For purposes of this article, "base period" means the three fiscal years immediately succeeding the commission's approval.

(b) When the Controller has made payment on claims prior to commission approval of the program for inclusion in the State Mandates Apportionment System, the payment shall be adjusted in the next apportionment to the amount which would have been subvened to the local agency or school district for that fiscal year had the State Mandates Apportionment System been in effect at the time of the initial payment.

SEC. 4. Section 17615.3 of the Government Code is amended to read:

17615.3. Notwithstanding Section 17561, by November 30, 1986, and by November 30 of each year thereafter, for those programs included in the State Mandates Apportionment System, the Controller shall recalculate each allocation for each local agency and school district for the 1985–86 fiscal year, by using the actual change

in the deflator for that year. That recalculated allocation shall then be adjusted by the estimated change in the deflator for the 1986–87 fiscal year, and each fiscal year thereafter, to establish the allocation amount for the 1986–87 fiscal year, and each fiscal year thereafter. Additionally, for programs approved by the commission for inclusion in the State Mandates Apportionment System on or after January 1, 1988, the allocation for each year succeeding the three-year base period shall be adjusted according to any changes in both the deflator and workload. The Controller shall then subvene that amount after adjusting it by any amount of overpayment or underpayment in the 1985–86 fiscal year, and each fiscal year thereafter, due to a discrepancy between the actual change and the estimated change in the deflator or workload. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1986 and the Budget Act for any subsequent fiscal year thereafter.

For purposes of this article, "workload" means, for school districts and county offices of education, changes in the average daily attendance; for community colleges, changes in the number of full-time equivalent students; for cities and counties, changes in the population within their boundaries; and for special districts, changes in the population of the county in which the largest percentage of the district's population is located.

SEC. 5. Section 17615.4 of the Government Code is amended to read:

17615.4. (a) When a new mandate imposes costs which are funded either by legislation, in local government claims bills, or from the State Mandates Claim Fund, local agencies and school districts may file reimbursement claims as required by Section 17561, for a minimum of three years after the initial funding of the new mandate.

(b) After actual cost claims are submitted for three fiscal years against such a new mandate, the commission shall determine, upon request of the Controller or a local entity or school district receiving reimbursement for the program, whether the amount of the base year entitlement adjusted by changes in the deflator and workload accurately reflects the costs incurred by the local agency or school district. If the commission determines that the base year entitlement, as adjusted, does accurately reflect the costs of the program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

(c) The Controller shall make recommendations to the commission and the commission shall consider the Controller's recommendations for each new mandate submitted for inclusion in the State Mandates Apportionment System. All claims included in the State Mandates Apportionment System pursuant to this section are also subject to the audit provisions of Section 17616.

SEC. 6. Section 17615.5 of the Government Code is amended to read:

17615.5. (a) If any local agency or school district has an established base year entitlement which does not include costs for a

particular mandate, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, adjusted pursuant to Section 17615.3 by changes in the deflator and workload, or entitlement claims covering a minimum of three consecutive years, after which time its base year entitlement may be adjusted by an amount necessary to fund the costs of that mandate.

(b) If any local agency or school district has no base year entitlement, but wishes to begin claiming costs of one or more of the mandates included in the State Mandates Apportionment System, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, or entitlement claims covering the preceding three consecutive years, which shall be adjusted pursuant to Sections 17615.2 and 17615.3 by changes in the deflator and workload, after which time a base year entitlement may be established in an amount necessary to fund the costs of the mandate or mandates.

SEC. 7. Section 2207 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 2207.5 of the Revenue and Taxation Code is repealed.

CHAPTER 590

An act to amend Sections 17305, 17314, 17320, 17321, and 17336 of the Financial Code, relating to escrows.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 17305 of the Financial Code is amended to read:

17305. "Monthly average escrow liability," as used in this chapter, means the average escrow liability for the 12-month period as reported in the most recent report made by the member to the commissioner pursuant to Section 17348.

SEC. 2. Section 17314 of the Financial Code is amended to read:

17314. (a) Fidelity Corporation shall pay a member for loss of trust obligations subject to the limitations set forth in this chapter. Fidelity Corporation shall pay or deny the claim within 90 days of receipt of the proof of loss filed by a member, or a member's successor in interest.

(b) Coverage shall be provided to members in accordance with the following schedule:

MONTHLY AVERAGE ESCROW LIABILITY PER LOCATION	COVERAGE
$ 0–$ 1,000,000	$1,000,000
over $1,000,000–$ 3,000,000	$2,000,000
over $3,000,000–$ 5,000,000	$3,000,000
over $5,000,000–$ 7,500,000	$4,000,000
over $7,500,000–$10,000,000	$5,000,000

The minimum coverage for each licensed location shall be one million dollars ($1,000,000).

(c) A member shall maintain minimum coverage in accordance with the schedule in subdivision (b) and shall monitor its escrow liability monthly. An increase in escrow liability above the monthly average escrow liability coverage as provided for in subdivision (b) shall be reported immediately to Fidelity Corporation. Upon receipt of this report, Fidelity Corporation shall immediately provide for the increase in coverage, and shall immediately bill and collect pursuant to Section 17321, an amount necessary to provide for the increased coverage.

(d) Any member with a licensed location or locations with a monthly average escrow liability greater than ten million dollars ($10,000,000) shall obtain a bond from a corporate surety which is an admitted insurer in the State of California insuring the balance of trust funds not covered by Fidelity Corporation, in a ratio of one dollar of coverage for every three dollars of trust obligations not covered by Fidelity Corporation. The Fidelity Corporation shall have the authority to obtain the excess coverage bond. The cost of the bond shall be shared pro rata by those members included in the coverage.

(e) If a member establishes, to the satisfaction of the commissioner, that a bond is not available or is impracticable under subdivision (d), then, at the member's election, either:

(1) The member shall place average trust obligations in excess of ten million dollars ($10,000,000) in a restricted escrow trust account. Each transfer or release of the funds to be made by specific resolution of the member's board of directors and the signature of a neutral third party and written approval of Fidelity Corporation; or

(2) The licensed location of the member with average trust balances in excess of ten million dollars ($10,000,000) shall be subject to examinations to be conducted at a frequency as deemed appropriate and necessary by the commissioner or Fidelity Corporation, but not less frequently than once a year.

(f) Any member subject to subdivision (e) shall within 10 business days after the effective date of this section notify Fidelity Corporation of its election. A member who subsequently becomes subject to subdivision (e) shall within a like period of time notify Fidelity Corporation of its election. Fidelity Corporation shall also be

notified of any change of election in a like period of time. Fidelity Corporation shall notify the commissioner within 10 business days of receipt of any notice under this subdivision of the elections made. All notices under this subdivision shall be in writing.

SEC. 2.5. Section 17320 of the Financial Code is amended to read:

17320. Fidelity Corporation shall establish and maintain the following funds for payment of claims and for payment of costs of administration: the membership fund, the operations fund, and the fidelity fund.

(a) An applicant or a licensee shall, at the time an application is filed for a license, pay to Fidelity Corporation a membership fee of three thousand dollars ($3,000) for each location for which a license is applied. If the application is denied, withdrawn, or abandoned, Fidelity Corporation may retain two hundred dollars ($200) from the membership fee to cover costs of administration.

The membership fund shall be reserved for payment of claims which exceed the fidelity fund balance and for payment of extraordinary operational costs.

Any member who, on the effective date of this section, has an account balance which exceeds the three thousand dollars ($3,000) membership fee times the number of its licensed locations shall be credited in a special reserve account for the excess amount. This balance shall be credited against future assessments made pursuant to subdivision (b) of Section 17321 in an amount not exceeding four hundred dollars ($400) per licensed location per year. Any member whose account balance is less than three thousand dollars ($3,000) times the number of its licensed locations shall, on or before December 1, 1988, pay to Fidelity Corporation an amount sufficient to allow the member's account to be maintained at three thousand dollars ($3,000) times the number of licensed locations. Fidelity Corporation shall provide each member with an accounting of the amounts being reserved for the members' membership account and amounts being held as a special reserve.

The membership fee, less any unpaid assessments and related costs, shall be refunded to the member in accordance with Fidelity Corporation's bylaws not less than 30 months and no more than 36 months after the effective date of surrender of a license.

(b) Fidelity Corporation shall prepare, prior to its fiscal year end, an estimated annual operational budget projecting the costs of operations and administration for the succeeding fiscal year, excluding the amount paid for claims and premiums paid for excess coverage bonding. The amount of the assessment shall be 150 percent of the budgetary projection. In succeeding years, the assessment shall be adjusted by adding the prior year's deficit or deducting unused surplus from the prior year.

(c) Fidelity Corporation shall establish a fidelity fund for the payment of claims and for the payment of the premium for the fidelity bond or insurance policy, if any. All claims shall be paid from the fidelity fund, provided that, to the extent that the fidelity fund

balance is not sufficient to pay claims, the claim shall be paid from the membership fund by charging each member's membership account a pro rata share of the excess.

(d) All interest earned on the membership fund and the operations fund shall be credited to the fidelity fund.

SEC. 3. Section 17321 of the Financial Code is amended to read:

17321. Fidelity Corporation shall bill and collect from each member an annual premium which in the aggregate shall consist of assessments for the operations fund and the fidelity fund.

(a) The annual assessment for the operations fund shall be assessed no later than October 15 of each year for the current fiscal year in accordance with subdivision (b) of Section 17320. The assessment shall include:

(1) All costs and expenses of administration as budgeted by the board of directors for the next fiscal year.

(2) Any expenses actually incurred in the preceding fiscal year which exceeded the budgeted costs of expenses and administration except for expenses recovered pursuant to subdivision (a) of Section 17321.1.

Each member's assessment shall be determined pro rata based upon the ratio of each member's licensed locations to the total licensed locations of all members as of the preceding June 30.

(b) The annual assessment for the fidelity fund shall be assessed no later than May 1. The assessment shall be calculated as follows:

(1) If the membership fund and fidelity fund in the aggregate equal an amount less than five million dollars ($5,000,000), then the assessment shall be the greater of: (A) one million dollars ($1,000,000); or (B) the sum of (i) the greater of an amount necessary to bring the membership fund and fidelity fund in the aggregate up to five million dollars ($5,000,000) or the total of all claims paid during the preceding fiscal year (except to the extent of any special assessment made pursuant to subdivision (b) of Section 17321.1) plus (ii) the greater of four hundred thousand dollars ($400,000) or 0.045 percent of the total average trust obligations of all members as reflected in the most recent report required by Section 17348.

(2) If the membership fund and fidelity fund in the aggregate equal an amount that is at least five million dollars ($5,000,000) but less than 1 percent of the total average trust obligations for all members as reflected in the most recent report required by Section 17348 or the fidelity fund equals an amount less than five million dollars ($5,000,000), then the assessment shall be: (A) an amount equal to the total of all claims paid during the preceding fiscal year (except to the extent of any special assessment made pursuant to subdivision (b) of Section 17321.1); and (B) an amount which is the greater of four hundred thousand dollars ($400,000) or 0.045 percent of the total average trust obligations of all members as reflected in the most recent report required by Section 17348.

(3) If the membership fund and fidelity fund in the aggregate

equal 1 percent of the total average trust obligations of all members as reflected in the most recent report required by Section 17348 and the fidelity fund equals at least five million dollars ($5,000,000), then the assessment shall be an amount equal to the actuarial projection of losses for the forthcoming fiscal year.

Each member's fidelity fund assessment for paragraphs (1), (2), and (3) shall be the amount derived by multiplying the amount to be assessed by the ratio that each member's risk factors bear to the total of all members' risk factors.

A member's risk factors shall be computed in accordance with the following formula, except that the total factors of a member shall be reduced by one for each licensed branch location:

Coverage per Licensed Location	Factors
$1,000,000	3
$2,000,000	5
$3,000,000	7
$4,000,000	8
$5,000,000	9

(c) Notwithstanding subdivision (b), the assessment for the fidelity fund for the fiscal year beginning July 1, 1989, shall be made immediately upon 90-day notice of cancellation of the fidelity bond or insurance policy permitted by paragraph (2) of subdivision (c) of Section 17310, but in no event later than 60 days prior to the date of cancellation.

SEC. 4. Section 17336 of the Financial Code is amended to read:

17336. (a) Fidelity Corporation shall have independent authority to investigate claims filed by members pursuant to Section 17330.

(b) Fidelity Corporation, with the written consent of the commissioner, may conduct an examination or investigation of the business practices of a member's handling and processing of trust obligations or the failure to pay an assessment under Section 17320, 17321, or 17321.1. The result of any investigation shall be reported to the commissioner together with the recommendations of the Board of Directors of Fidelity Corporation.

(c) Fidelity Corporation may submit reports and make recommendations to a member on its findings as a result of an examination or investigation conducted pursuant to this section. These reports and recommendations shall not be public documents. A copy of all reports and recommendations shall be furnished to the commissioner by Fidelity Corporation. There shall be no liability on the part of, and no cause of action of any nature shall arise against, Fidelity Corporation or its members, directors, officers, employees, stockholders, or agents or the commissioner or commissioner's authorized representatives for any statements made by them in any reports or recommendations made hereunder.

(d) Fidelity Corporation, upon the request of the commissioner, may participate in an examination or investigation of the books and records of a member. There shall be no liability on the part of, and no cause of action of any nature shall arise against, the State of California, the commissioner, or members of the commissioner's staff or the commissioner's authorized representative for the release of any information furnished to Fidelity Corporation pursuant to this subdivision.

(e) With the written consent of a majority of its directors and the commissioner, Fidelity Corporation, in order to fulfill its obligations under this section, may appoint an independent certified public accountant or public accountant or hire or appoint a specialized committee or employees to conduct an examination or investigation authorized by this section. Any reports as a result thereof shall be furnished to the commissioner pursuant to the provisions of subdivision (c).

(f) For the purposes of conducting an examination or investigation, Fidelity Corporation or its appointee shall have free access to the offices and places of business, books, accounts, papers, records, files, safes and vaults of the member.

(g) Costs and expenses for the examination or investigation conducted pursuant to subdivision (b) shall be paid to the Fidelity Corporation by the licensee or person examined. The Fidelity Corporation may maintain an action for recovery of these costs in any court of competent jurisdiction.

(h) Fidelity Corporation, any member of Fidelity Corporation, an agent of Fidelity Corporation or of its members, or any person who uses any information obtained under this section for any purpose not authorized herein is guilty of a misdemeanor.

CHAPTER 591

An act to repeal and add Part 6 (commencing with Section 36500) of Division 18 of the Streets and Highways Code, relating to highways.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Part 6 (commencing with Section 36500) of Division 18 of the Streets and Highways Code is repealed.

SEC. 2. Part 6 (commencing with Section 36500) is added to Division 18 of the Streets and Highways Code, to read:

PART 6. PARKING AND BUSINESS IMPROVEMENT AREA LAW OF 1989

CHAPTER 1. GENERAL PROVISIONS

Article 1. Declarations

36500. This part shall be known and may be cited as the "Parking and Business Improvement Area Law of 1989."

36501. (a) The Legislature finds and declares that businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) The Legislature also finds and declares that it is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent erosion of the business districts.

(c) The Legislature also finds that it is of particular local benefit to allow cities to fund property related improvements and activities through the levy of assessments upon the businesses which benefit from those improvements and activities.

(d) The Legislature also finds and declares that assessments levied for the purpose of providing improvements and promoting activities which benefit individual businesses may also benefit the property within the area directly or indirectly and that those assessments are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the businesses for which the improvements and activities are provided.

36502. The purpose of this part is to recodify and supplant previously enacted provisions of law which authorize cities to levy assessments on businesses within a parking and business improvement area and to provide a uniform procedure to levy assessments for improvements and activities of businesses located and operating in a business district of a city. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36503. Any provision of this part which conflicts with any other provision of law shall prevail over the other provision of law.

36504. This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. If the provisions of this part respecting the levying of assessments are held invalid in any area within which assessments have been levied pursuant to Chapter 3 (commencing with Section 36530), the assessments shall be reimposed in an identical amount and upon the same businesses as a matter of law and no lapse in the levy of any assessment shall be deemed to have occurred.

Assessments levied under this part are not special taxes.

Article 2. Definitions

36505. "Advisory board" means the advisory board or commission appointed by the city council pursuant to Section 36530.

36506. "Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the businesses located and operating within a parking and business improvement area.

36507. "Business" means all types of businesses and includes financial institutions and professions.

36508. "City" means a city, county, or city and county.

36509. "City council" means the city council of a city or the board of supervisors of a county.

36510. "Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

(a) Parking facilities.
(b) Benches.
(c) Trash receptacles.
(d) Street lighting.
(e) Decorations.
(f) Parks.
(g) Fountains.

36511. "Parking and business improvement area," or "area," means an area designated as provided in this part.

36512. "Property" means real property situated within an area.

36513. "Activities" means, but is not limited to, all of the following:

(a) Promotion of public events which benefit businesses in the area and which take place on or in public places within the area.

(b) Furnishing of music in any public place in the area.

(c) Activities which benefit businesses located and operating in the area.

Article 3. Prior Law

36515. Every improvement area established prior to January 1, 1990, pursuant to the Parking and Business Improvement Area Law of 1979 (former Part 6 (commencing with Section 36500) of this division) is hereby declared valid and effective and is unaffected by the repeal of that law, but is subject to Chapters 3 (commencing with Section 36530), 4 (commencing with Section 36540), and 5 (commencing with Section 36550) of this part rather than any provision of prior law.

CHAPTER 2. ESTABLISHMENT

36520. A parking and business improvement area may be established as provided in this chapter.

36521. The city council may establish an area on its own initiative.

36522. Proceedings to establish a parking and business improvement area shall be instituted by the adoption by the city council of a resolution of intention to establish the area. The resolution of intention shall do all of the following:

(a) State that a parking and business improvement area is proposed to be established pursuant to this chapter and describe the boundaries of the territory proposed to be included in the area and the boundaries of each separate benefit zone to be established within the area. The boundaries of the area may be described by reference to a map on file in the office of the clerk, showing the proposed area.

(b) State the name of the proposed area.

(c) State the type or types of improvements and activities proposed to be funded by the levy of assessments on businesses in the area. The resolution of intention shall specify any improvements to be acquired.

(d) State that, except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.

(e) State the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business.

(f) State whether new businesses will be exempt from the levy of the assessment, pursuant to Section 36531.

(g) Fix a time and place for a public hearing on the establishment of the parking and business improvement area and the levy of assessments, which shall be held not less than 20 or more than 30 days after the adoption of the resolution of intention.

(h) State that at the hearing the testimony of all interested persons for or against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities will be heard. The notice shall also describe, in summary, the effect of protests made by business owners against the establishment of the area, the extent of the area, and the furnishing of a specified type of improvement or activity, as provided in Section 36524.

36523. Notice of a public hearing, held under Section 36524, 36541, 36542, or 36550, shall be given by both of the following:

(a) Publishing the resolution of intention in a newspaper of general circulation in the city once, at least seven days before the public hearing.

(b) Mailing of a complete copy of the resolution of intention by first-class mail to each business owner in the area within seven days of the city council's adoption of the resolution of intention.

36524. (a) At the public hearing, the city council shall hear and

consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

(b) Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

(c) Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.

36525. (a) If written protests are received by the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(b) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

36526. (a) At the conclusion of the public hearing to establish the area, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments.

(b) At the public hearing, the city council may only make changes in, to, or from, the boundaries of the proposed parking and business improvement area that will exclude territory which will not benefit from the proposed improvements or activities.

(c) The city council shall not change the boundaries of the area to include any territory that will not, in its judgment, benefit by the improvement or activity. Any addition of territory to the proposed boundaries of the area may be made only upon notice to the owners of the businesses proposed to be added to the area, as provided in Section 36523, and upon a public hearing on the addition of territory, as provided in Section 36524.

36527. If the city council, following the public hearing, decides to establish the proposed parking and business improvement area, it shall adopt an ordinance to that effect. The ordinance shall contain

all of the following:

(a) The number, date of adoption, and title of the resolution of intention.

(b) The time and place where the public hearing was held concerning the establishment of the area.

(c) A determination regarding any protests received at the public hearing.

(d) The description of the boundaries of the area and of each separate benefit zone established within the area.

(e) A statement that a parking and business improvement area has been established and the name of the area.

(f) A statement that the businesses in the area established by the ordinance shall be subject to any amendments to this part.

(g) The description of the method and basis of levying the assessments, with a breakdown by classification of businesses if a classification is used.

(h) A statement that the improvements and activities to be provided in the area will be funded by the levy of the assessments. The revenue from the levy of assessments within an area shall not be used to provide improvements or activities outside the area.

(i) A finding that the businesses and the property within the business and improvement area will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(j) The time and manner of collecting the assessments.

36528. The city council may establish one or more separate benefit zones within the area based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone.

36529. All provisions of this part applicable to the establishment, modification, or disestablishment of a parking and business improvement area apply to the establishment, modification, or disestablishment of benefit zones. The city council shall, to establish, modify, or disestablish a benefit zone, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

CHAPTER 3. ASSESSMENTS

36530. The city council shall appoint an advisory board which shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments pursuant to this part, on the classification of businesses, as applicable, and on the method and basis of levying the assessments. The city council may designate existing advisory boards or commissions to serve as the advisory board for the area or may create a new advisory board for that purpose. The city council may limit membership of the advisory board to persons paying the assessments under this part.

36531. The city council may exempt a business recently established in the area from the levy of the assessments, for a period not to exceed one year from the date the business commenced operating in the area. The city council shall state its determination to so exempt new businesses in the resolution of intention to establish the area and shall reaffirm its determination annually in the resolution of intention required to be adopted pursuant to Section 36534.

36532. The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the ordinance establishing the area.

36533. (a) The advisory board shall cause to be prepared a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

(1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified. The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

36534. (a) After the approval of the report, the city council shall adopt a resolution of intention to levy an annual assessment for that fiscal year. The resolution of intention shall do all of the following:

(1) Declare the intention of the city council to change the boundaries of the parking and business improvement area, or in any benefit zone within the area, if the report filed pursuant to Section 36533 proposes a change.

(2) Declare the intention of the city council to levy and collect assessments within the parking and business improvement area for the fiscal year stated in the resolution.

(3) Generally describe the proposed improvements and activities authorized by the ordinance enacted pursuant to Section 36527 and any substantial changes proposed to be made to the improvements and activities.

(4) Refer to the parking and business improvement area by name and indicate the location of the area.

(5) Refer to the report on file with the clerk for a full and detailed description of the improvements and activities to be provided for that fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for that fiscal year.

(6) Fix a time and place for a public hearing to be held by the city council on the levy of the proposed assessment for that fiscal year. The public hearing shall be held not less than 10 days after the adoption of the resolution of intention.

(7) State that at the public hearing written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525.

(b) The clerk shall give notice of the public hearing by causing the resolution of intention to be published once in a newspaper of general circulation in the city not less than seven days before the public hearing.

36535. (a) The city council shall hold the public hearing at the time and in the place specified in the resolution of intention. The public hearing shall be conducted as provided in Sections 36524 and 36525. The city council may continue the public hearing from time to time, but the public hearing shall be completed within 30 days.

(b) During the course or upon the conclusion of the public hearing, the city council may order changes in any of the matters provided in the report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the proposed boundaries of the area and any benefit zones within the area. The city council shall not change the boundaries to include any territory that will not, in its judgment, benefit by the improvement or activity.

(c) At the conclusion of the public hearing, the city council may adopt a resolution confirming the report as originally filed or as changed by it. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the report.

36536. The assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses and property within the parking and business improvement area. The city council may classify businesses for purposes of determining the benefit to a business of the improvements and activities provided pursuant to this part.

36537. The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36535. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

CHAPTER 4. MODIFICATION OF BOUNDARIES, ASSESSMENTS, IMPROVEMENTS, OR ACTIVITIES

36540. In addition to the changes authorized to be made in the annual report filed with the city council pursuant to Section 36533 or at the conclusion of the public hearing on the annual levy of the assessments, the advisory board may, at any time, recommend that the city council modify the boundaries of the area, any benefit zones within the area, the basis and method of levying the assessments, and any improvements or activities to be funded with the revenues derived from the levy of the assessments. Any modification shall be made pursuant to this chapter.

36541. (a) The city council shall modify the basis and method of levying the assessment or the boundaries of the area by adopting an ordinance after holding a public hearing on the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not less than 20 or more than 30 days after the adoption of the resolution of intention. Notice of the public hearing shall be published and shall be mailed to each owner of a business affected by the proposed modification, as provided in Section 36523. The public hearing shall be conducted as provided in Sections 36524 and 36525.

36542. (a) The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. Notice of the public hearing and the proposed modifications shall be published as provided in Section 36523.

(b) The public hearing shall be conducted as provided in Sections 36524 and 36525.

CHAPTER 5. DISESTABLISHMENT

36550. (a) The city council may disestablish an area by adopting an ordinance after holding a public hearing on the disestablishment, as provided in this section.

(b) The city council shall adopt a resolution of intention to disestablish the area prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain

a proposal to dispose of any assets acquired with the revenues of the assessments levied within the parking and business improvement area. The public hearing shall be held not less than 20 or more than 30 days after the adoption of the resolution of intention. Notice of the public hearing shall be published as provided in Section 36523.

36551. (a) Upon the disestablishment of an area, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be refunded to the owners of the businesses then located and operating within the area in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the area is disestablished.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund. Notice of the disestablishment of an area shall be published once in a newspaper of general circulation in the city, not later than 15 days after the ordinance disestablishing the area is adopted.

CHAPTER 592

An act to amend Sections 925.2, 925.6, 9131, and 9133 of, to add Sections 9133.5 and 9134 to, to repeal Section 9130 of, and to repeal and add Section 9132 of the Government Code, relating to legislative funds.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1 (a) The Legislature finds and declares the following:

(1) That the citizens of this state have the right to a detailed accounting of the expenditures incurred by state government.

(2) That there should be no exemptions which preclude the full, complete, and accurate disclosure and auditing of all state expenditures. For legislative expenditures, the disclosure and accounting shall be accomplished through an annual report of all expenditures in sufficient numbers of categories, but not less than 23, in order to meet these standards.

(3) That all funds and entities of the Legislature should be audited by independent auditors to ensure that expenditures from the funds are properly recorded and accounted.

(b) The Legislature recognizes the authority of the Controller, consistent with Section 3 of Article III of the California Constitution, with respect to auditing the operating funds of the Legislature; and,

by enacting this statute, the Legislature repeals all statutory provisions which defeat or materially impair the constitutional powers of the State Controller with respect to auditing the operating funds of the Legislature.

(c) The Controller, in accordance with Section 7 of Article XVI of the California Constitution, shall draw warrants for claims of the Legislature only after auditing the claims for legality, correctness, and verification that payment is authorized by law.

(d) The Assembly Committee on Rules, the Senate Committee on Rules, and the Joint Rules Committee shall ensure that claims are legal, correct, and necessary for the operation of the Legislature, and that claims are properly presented to the Controller for payment.

SEC. 2. Section 925.2 of the Government Code is amended to read:

925.2. Claims for expenses of either house of the Legislature or members or committees thereof are exempt from Section 13920 and this chapter, except Section 925.6, and claims for official salaries fixed by statute are exempt from this chapter and Section 13920.

SEC. 3. Section 925.6 of the Government Code is amended to read:

925.6. (a) The Controller shall not draw his or her warrant for any claim until it has been audited by him or her in conformity with law and the general rules and regulations adopted by the board, governing the presentation and audit of claims. Whenever the Controller is directed by law to draw his or her warrant for any purpose, the direction is subject to this section.

(b) Notwithstanding the provisions of subdivision (a), the Assembly Committee on Rules, the Senate Committee on Rules, and the Joint Rules Committee, in cooperation with the Controller, shall adopt rules and regulations to govern the presentation of claims of the committees to the Controller. The Controller, in cooperation with the committees, shall adopt rules and regulations governing the audit and recordkeeping of claims of the committees. All rules and regulations shall be adopted by January 31, 1990, shall be published in the Assembly and Senate Journals, and shall be made available to the public.

(c) Rules and regulations adopted pursuant to subdivision (b) shall not be subject to the review by or approval of the Office of Administrative Law.

(d) Records of claims kept by the Controller pursuant to subdivision (b) shall be open to public inspection as permitted by the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

SEC. 4. Section 9130 of the Government Code is repealed.

SEC. 5. Section 9131 of the Government Code is amended to read:

9131. For the period ending on November 30 of each year, the Assembly Committee on Rules, the Senate Committee on Rules, and the Joint Rules Committee shall annually prepare a report to the

public of all expenditures made from the operating fund subject to their direction and control. The report shall be made available to the public by November 30 of the year following that for which it is prepared. The report shall include, but not be limited to, a list of expenditures for each Member and committee of the Legislature in the following categories:

(a) Out-of-state travel and living expense reimbursement and in-state travel and living expense reimbursement.

(b) Automotive expenses.

(c) Building utilities, maintenance, and rent.

(d) Telephone.

(e) Postage.

(f) Printing.

(g) Office supplies.

(h) Newsletters.

(i) Per diem for attendance at legislative sessions.

(j) Employee salaries and benefits.

(k) Employee travel and per diem.

(*l*) Equipment and furniture.

(m) Telegraph.

(n) Freight.

(o) Publications.

(p) Study contracts and any other contract not reported under any other category.

(q) Meals.

(r) Ceremonies and events.

(s) First-class air travel.

(t) Automotive repairs.

(u) Office alterations.

(v) All other expenditures.

SEC. 6. Section 9132 of the Government Code is repealed:

SEC. 7. Section 9132 is added to the Government Code, to read:

9132. The Assembly Committee on Rules and Senate Committee on Rules, and the Joint Rules Committee, shall annually provide to the Director of Finance an itemized statement of proposed expenditures from the Assembly Operating Fund, the Senate Operating Fund, and the Operating Funds of the Assembly and Senate for inclusion in the Governor's Budget for the ensuing fiscal year. The itemized statement of proposed expenditures shall not be subject to the provisions of Section 13320.

The itemized statement of proposed expenditures shall include, but not be limited to, the following categories:

(a) Out-of-state travel and living expense reimbursement and in-state travel and living expense reimbursement.

(b) Automotive expenses.

(c) Building utilities, maintenance, and rent.

(d) Telephone.

(e) Postage.

(f) Printing.

(g) Office supplies.
(h) Newsletters.
(i) Per diem for attendance at legislative sessions.
(j) Employee salaries and benefits.
(k) Employee travel and per diem.
(*l*) Equipment and furniture.
(m) Telegraph.
(n) Freight.
(o) Publications.
(p) Study contracts and any other contract not reported under any other category.
(q) Meals.
(r) Ceremonies and events.
(s) First-class air travel.
(t) Automotive repairs.
(u) Office alterations.
(v) All other expenditures.

SEC. 8. Section 9133 of the Government Code is amended to read:

9133. (a) The Joint Rules Committee shall annually contract for an independent audit or audits of all funds and entities of the Legislature, including, but not limited to, the expenditures of the Assembly Operating Fund, the Senate Operating Fund, the Operating Funds of the Assembly and Senate, expenditures for legislative printing, and General Fund expenditures for reimbursement of Members of the Legislature pursuant to Sections 8902 and 8903. These audits shall be made in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants.

(b) These audits shall each include, but need not be limited to, an evaluation of:

(1) The expenditures in the following categories:

(A) Out-of-state travel and living expense reimbursement and in-state travel and living expense reimbursement.
(B) Automotive expenses.
(C) Building utilities, maintenance, and rent.
(D) Telephone.
(E) Postage.
(F) Printing.
(G) Office supplies.
(H) Newsletters.
(I) Per diem for attendance at legislative sessions.
(J) Employee salaries and benefits.
(K) Employee travel and per diem.
(L) Equipment and furniture.
(M) Telegraph.
(N) Freight.
(O) Publications.
(P) Study contracts and any other contract not reported under

any other category.

(Q) Meals.

(R) Ceremonies and events.

(S) First-class air travel.

(T) Automotive repairs.

(U) Office alterations.

(V) All other expenditures.

(2) The accuracy of the annual fiscal year financial statements of the rules committees.

(c) These independent audits shall be completed, and reports thereon made to the respective houses of the Legislature, and to the public, by November 30 of each year for the previous fiscal year ending June 30.

SEC. 9. Section 9133.5 is added to the Government Code, to read:

9133.5. No funds from the Assembly Operating Fund, the Senate Operating Fund, the Operating Funds of the Assembly and Senate, or appropriations made for legislative printing, shall be expended for purposes of purchasing goods for resale, except for goods manufactured by any other entity of state government.

SEC. 10. Section 9134 is added to the Government Code, to read:

9134. Any reference in any code or statute to the Senate Contingent Fund, the Assembly Contingent Fund or the Contingent Funds of the Assembly and Senate shall be deemed a reference, respectively, to the Senate Operating Fund, the Assembly Operating Fund, or the Operating Funds of the Assembly and Senate.

CHAPTER 593

An act to amend Sections 67143 and 76243 of, and to add Sections 67134 and 76234 to, the Education Code, relating to postsecondary education.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 67134 is added to the Education Code, to read:

67134. Whenever there is included in any student record information concerning any disciplinary action taken by a college or university in connection with any alleged sexual assault or physical abuse, including rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat of sexual assault, or any conduct that threatens the health and safety of the alleged victim, the alleged victim of that sexual assualt or physical abuse shall be informed within three days of the results of any disciplinary action by the college or university and the results of any appeal. The alleged

victim shall keep the results of that disciplinary action and appeal confidential.

SEC. 2. Section 67143 of the Education Code is amended to read:

67143. (a) Except as provided in subdivision (b), a college or university is not authorized to permit access to student records to any person without the written consent of the student or under judicial order except that access may be permitted to the following:

(1) Officials and employees of the college or university, if that person has a legitimate educational interest to inspect a record.

(2) Authorized representatives of the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency, state education officials, or their respective designees, or the United States Office for Civil Rights, where that information is necessary to audit or evaluate a state or federally supported education program or pursuant to a federal or state law, except that when the collection of personally identifiable information is specifically authorized by federal law, any data collected by those officials shall be protected in a manner which will not permit the personal identification of students or their parents by other than those officials, and any personally identifiable data shall be destroyed when no longer needed for that audit, evaluation, and enforcement of federal legal requirements.

(3) Other state and local officials or authorities to the extent that information is specifically required to be reported pursuant to state law adopted prior to November 19, 1974.

(4) Officials of other public or private schools or school systems, including local, county, or state correctional facilities where educational programs are provided, where the student seeks or intends to enroll, or is directed to enroll, subject to the rights of students as provided in Section 69124.

(5) Agencies or organizations in connection with a student's application for, or receipt of, financial aid, provided that information permitting the personal identification of students may be disclosed only as may be necessary for those purposes as to determine the eligibility of the student for financial aid, to determine the amount of the financial aid, to determine the conditions which will be imposed regarding the financial aid, or to enforce the terms or conditions of the financial aid.

(6) Accrediting organizations in order to carry out their accrediting functions.

(7) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if those studies are conducted in such a manner as will not permit the personal identification of students or their parents by persons other than representatives of those organizations and the information will be destroyed when no longer needed for the purpose for which it is conducted.

(8) Appropriate persons in connection with an emergency if the knowledge of that information is necessary to protect the health or safety of a student or other persons, or subject to any regulations issued by the Secretary of Health, Education, and Welfare.

No person, persons, agency, or organization permitted access to student records pursuant to this section shall permit access to any information obtained from those records by any other person, persons, agency, or organization without the written consent of the student, provided that this paragraph shall not require prior student consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, so long as those persons have a legitimate educational interest in the information.

(b) The alleged victim of any sexual assault or physical abuse, including rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat or assault, or any conduct that threatens the health and safety of the alleged victim, which is the basis of any disciplinary action taken by a college or university, shall be permitted access to that information. For the purposes of this subdivision, access to student record information shall be in the form of notice of the results of any disciplinary action by the college or university and the results of any appeal, which shall be provided to the alleged victim within three days following that disciplinary action or appeal. The alleged victim shall keep the results of that disciplinary action and appeal confidential.

SEC. 3. Section 76234 is added to the Education Code, to read:

76234. Whenever there is included in any student record information concerning any disciplinary action taken by a community college in connection with any alleged sexual assault or physical abuse, including rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat of sexual assault, or any conduct that threatens the health and safety of the alleged victim, the alleged victim of that sexual assualt or physical abuse shall be informed within three days of the results of any disciplinary action by the community college and the results of any appeal. The alleged victim shall keep the results of that disciplinary action and appeal confidential.

SEC. 4. Section 76243 of the Education Code is amended to read:

76243. (a) A community college or community college district is not authorized to permit access to student records to any person without the written consent of the student or under judicial order except that access may be permitted to the following:

(1) Officials and employees of the community college, if that person has a legitimate educational interest to inspect a record.

(2) Authorized representatives of the Comptroller General of the United States, the Secretary of Health, Education, and Welfare, an administrative head of an education agency, state education officials, or their respective designees or the United States Office of Civil Rights, where that information is necessary to audit or evaluate a

state or federally supported education program or pursuant to a federal or state law, except that when the collection of personally identifiable information is specifically authorized by federal law, any data collected by those officials shall be protected in a manner that will not permit the personal identification of students or their parents by other than those officials, and any personally identifiable data shall be destroyed when no longer needed for that audit, evaluation, and enforcement of federal legal requirements.

(3) Other state and local officials or authorities to the extent that information is specifically required to be reported pursuant to state law adopted prior to November 19, 1974.

(4) Officials of other public or private schools or school systems, including local, county, or state correctional facilities where educational programs are provided, where the student seeks or intends to enroll, or is directed to enroll, subject to the rights of students as provided in Section 76225.

(5) Agencies or organizations in connection with a student's application for, or receipt of, financial aid, provided that information permitting the personal identification of students may be disclosed only as may be necessary for those purposes as to determine the eligibility of the student for financial aid, to determine the amount of the financial aid, to determine the conditions that will be imposed regarding the financial aid, or to enforce the terms or conditions of the financial aid.

(6) Accrediting organizations in order to carry out their accrediting functions.

(7) Organizations conducting studies for, or on behalf of, educational agencies or institutions for the purpose of developing, validating, or administering predictive tests, administering student aid programs, and improving instruction, if those studies are conducted in such a manner as will not permit the personal identification of students or their parents by persons other than representatives of those organizations and the information will be destroyed when no longer needed for the purpose for which it is conducted.

(8) Appropriate persons in connection with an emergency if the knowledge of that information is necessary to protect the health or safety of a student or other persons, or subject to any regulations issued by the Secretary of Health, Education, and Welfare.

No person, persons, agency or organization permitted access to student records pursuant to this section shall permit access to any information obtained from those records by any other person, persons, agency or organization without the written consent of the student, provided that this paragraph shall not require prior student consent when information obtained pursuant to this section is shared with other persons within the educational institution, agency or organization obtaining access, so long as those persons have a legitimate educational interest in the information.

(b) The alleged victim of any sexual assault or physical abuse,

including rape, forced sodomy, forced oral copulation, rape by a foreign object, sexual battery, or threat or assault, or any conduct that threatens the health and safety of the alleged victim, which is the basis of any disciplinary action taken by a community college, shall be permitted access to that information. For the purposes of this subdivision, access to student record information shall be in the form of notice of the results of any disciplinary action by the community college and the results of any appeal, which shall be provided to the alleged victim within three days following that disciplinary action or appeal. The alleged victim shall keep the results of that disciplinary action and appeal confidential.

SEC. 5. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 594

An act to amend Sections 3352, 3366, and 3367 of the Labor Code, to amend Sections 830.6 and 832.6 of, and to add Section 830.32 to, the Penal Code, and to add Section 2403.5 to the Vehicle Code, relating to law enforcement.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature hereby finds and declares as follows:

(1) The presence of traffic accidents, motor vehicle or highway related criminal activities, and other highway safety problems in areas adjacent to the border of this state and each of the adjoining states has created great concern within this state and each of the adjoining states, and the public, governmental agencies, the state legislatures, and other entities interested in public safety.

(2) Emergency incidents, and other public safety problems which require the immediate response of law enforcement resources, are not always confined to a single state.

(3) Commercial development, population growth, recreational

use of remote areas, and the highly mobile nature of our society are factors which magnify problems of highway safety and public welfare in border regions of this state and adjoining states.

(4) In a number of locations proximate to the border of this state and each of the adjoining states, and at various times, law enforcement resources from each adjoining state are more accessible and can provide a more expeditious response to a traffic accident or other public safety problem in this state than law enforcement resources in this state.

(5) Some persons evade apprehension for highway-related criminal activities occurring in this state or an adjoining state by using a motor vehicle to cross the state line between this state and an adjoining state.

(6) The Department of the California Highway Patrol, the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, and the Arizona Department of Public Safety have not had statutory authority to provide reciprocal interstate law enforcement assistance with respect to emergency incidents, criminal activities, or other public safety problems occurring within the areas adjoining the borders of this state.

(b) It is, therefore, the intent of the Legislature in enacting this act to encourage mutual cooperation between the Department of the California Highway Patrol and the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, and the Arizona Department of Public Safety by permitting the Department of the California Highway Patrol to make the most efficient use of its resources in the event of emergency incidents, highway-related criminal activities, or other public safety problems occurring in areas adjacent to the border of this state and each of the adjoining states by enabling the Department of the California Highway Patrol and adjoining state agencies to function on a basis of mutual advantage and thereby provide law enforcement services in a reciprocal manner across state lines that will accord best with geographic, population, and other factors influencing the public safety in areas adjacent to the borders of this state and each of the adjoining states.

SEC. 2. Section 3352 of the Labor Code is amended to read:

3352. "Employee" excludes the following:

(a) Any person defined in subdivision (d) of Section 3351 who is employed by his or her parent, spouse, or child.

(b) Any person performing services in return for aid or sustenance only, received from any religious, charitable, or relief organization.

(c) Any person holding an appointment as deputy clerk, deputy sheriff, or deputy constable appointed for his or her own convenience, and who receives no compensation from the county or municipal corporation or from the citizens thereof for his or her services as the deputy. This exclusion is operative only as to employment by the county or municipal corporation and does not deprive any person so deputized from recourse against a private

person employing him or her for injury occurring in the course of and arising out of the employment.

(d) Any person performing voluntary services at or for a recreational camp, hut, or lodge operated by a nonprofit organization, exempt from federal income tax under Section 101 (6) of the Internal Revenue Code, of which he or she or a member of his or her family is a member and who receives no compensation for those services other than meals, lodging, or transportation.

(e) Any person performing voluntary service as a ski patrolman who receives no compensation for those services other than meals or lodging or the use of ski tow or ski lift facilities.

(f) Any person employed by a ski lift operator to work at a snow ski area who is relieved of and not performing any prescribed duties, while participating in recreational activities on his or her own initiative.

(g) Any person, other than a regular employee, participating in sports or athletics who receives no compensation for the participation other than the use of athletic equipment, uniforms, transportation, travel, meals, lodgings, or other expenses incidental thereto.

(h) Any person defined in subdivision (d) of Section 3351 who was employed by the employer to be held liable for less than 52 hours during the 90 calendar days immediately preceding the date of the injury for injuries, as defined in Section 5411, or during the 90 calendar days immediately preceding the date of the last employment in an occupation exposing the employee to the hazards of the disease or injury for injuries, as defined in Section 5412, or who earned less than one hundred dollars ($100) in wages from the employer during the 90 calendar days immediately preceding the date of the injury for injuries, as defined in Section 5411, or during the 90 calendar days immediately preceding the date of the last employment in an occupation exposing the employee to the hazards of the disease or injury for injuries, as defined in Section 5412.

(i) Any person performing voluntary service for a public agency or a private, nonprofit organization who receives no remuneration for the services other than meals, transportation, lodging, or reimbursement for incidental expenses.

(j) Any person, other than a regular employee, performing officiating services relating to amateur sporting events sponsored by any public agency or private, nonprofit organization, who receives no remuneration for these services other than a stipend for each day of service no greater than the amount established by the State Board of Control as a per diem expense for employees or officers of the state pursuant to Section 13920 of the Government Code. The stipend shall be presumed to cover incidental expenses involved in officiating, including, but not limited to, meals, transportation, lodging, rule books and courses, uniforms, and appropriate equipment.

(k) Any student participating as an athlete in amateur sporting events sponsored by any public agency, public or private nonprofit

college, university or school, who receives no remuneration for the participation other than the use of athletic equipment, uniforms, transportation, travel, meals, lodgings, scholarships, grants-in-aid, or other expenses incidental thereto.

(*l*) Any law enforcement officer who is regularly employed by a local or state law enforcement agency in an adjoining state and who is deputized to work under the supervision of a California peace officer pursuant to paragraph (4) of subdivision (a) of Section 832.6 of the Penal Code.

(m) Any law enforcement officer who is regularly employed by the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, or the Arizona Department of Public Safety and who is acting as a peace officer in this state pursuant to subdivision (a) of Section 830.32 of the Penal Code.

SEC. 3. Section 3366 of the Labor Code is amended to read:

3366. (a) For the purposes of this division, each person engaged in the performance of active law enforcement service as part of the posse comitatus or power of the county, and each person (other than an independent contractor or an employee of an independent contractor) engaged in assisting any peace officer in active law enforcement service at the request of such peace officer, is deemed to be an employee of the public entity that he or she is serving or assisting in the enforcement of the law, and is entitled to receive compensation from the public entity in accordance with the provisions of this division.

(b) Nothing in this section shall be construed to provide workers' compensation benefits to a person who is any of the following:

(1) A law enforcement officer who is regularly employed by a local or state law enforcement agency in an adjoining state and who is deputized to work under the supervision of a California peace officer pursuant to paragraph (4) of subdivision (a) of Section 832.6 of the Penal Code.

(2) A law enforcement officer who is regularly employed by the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, or the Arizona Department of Public Safety and who is acting as a peace officer in this state pursuant to subdivision (a) of Section 830.32 of the Penal Code.

SEC. 4. Section 3367 of the Labor Code is amended to read:

3367. (a) For purposes of this division any person voluntarily rendering technical assistance to a public entity to prevent a fire, explosion, or other hazardous occurrence, at the request of a duly authorized fire or law enforcement officer of that public entity is deemed an employee of the public entity to whom the technical assistance was rendered, and is entitled to receive compensation benefits in accordance with the provisions of this division. Rendering technical assistance shall include the time that person is traveling to, or returning from, the location of the potentially hazardous condition for which he or she has been requested to volunteer his or her assistance.

(b) Nothing in this section shall be construed to provide workers' compensation benefits to a person who is any of the following:

(1) A law enforcement officer who is regularly employed by a local or state law enforcement agency in an adjoining state and who is deputized to work under the supervision of a California peace officer pursuant to paragraph (4) of subdivision (a) of Section 832.6 of the Penal Code.

(2) A law enforcement officer who is regularly employed by the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, or the Arizona Department of Public Safety and who is acting as a peace officer in this state pursuant to subdivision (a) of Section 830.32 of the Penal Code.

SEC. 5. Section 830.6 of the Penal Code is amended to read:

830.6. (a) (1) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city policeman, a deputy sheriff, a reserve police officer of a regional park district or of a transit district, or a deputy of the Department of Fish and Game, or a special agent of the Department of Justice, and is assigned specific police functions by that authority, the person is a peace officer; provided, the person qualifies as set forth in Section 832.6, and provided further, that the authority of the person as a peace officer shall extend only for the duration of the person's specific assignment. A transit district reserve officer may carry firearms only if authorized by, and under those terms and conditions as are specified by, his or her employing agency.

(2) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city policeman, a deputy sheriff, or a reserve police officer of a regional park district or of a transit district, and is so designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, and is assigned to the prevention and detection of crime and the general enforcement of the laws of this state by that authority, the person is a peace officer; provided the person qualifies as set forth in paragraph (1) of subdivision (a) of Section 832.6, and provided further, that the authority of the person shall include the full powers and duties of a peace officer as provided by Section 830.1, or in the case of a transit district reserve police officer, the powers and duties which are authorized in Section 830.4.

(b) Whenever any person is summoned to the aid of any uniformed peace officer, the summoned person shall be vested with the powers of a peace officer as are expressly delegated to him or her by the summoning officer or as are otherwise reasonably necessary to properly assist the officer.

SEC. 6. Section 830.32 is added to the Penal Code, to read:

830.32. (a) Any regularly employed law enforcement officer of the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, or the Arizona Department of Public Safety is a peace officer in this state if all of the following conditions are met:

(1) The officer is providing, or attempting to provide, law enforcement services within this state on the state or county highways and areas immediately adjacent thereto, within a distance of up to 50 statute miles of the contiguous border of this state and the state employing the officer.

(2) The officer is providing, or attempting to provide, law enforcement services pursuant to either of the following:

(A) In response to a request for services initiated by a member of the California Highway Patrol.

(B) In response to a reasonable belief that emergency law enforcement services are necessary for the preservation of life, and a request for services by a member of the Department of the California Highway Patrol is impractical to obtain under the circumstances. In those situations, the officer shall obtain authorization as soon as practical.

(3) The officer is providing, or attempting to provide, law enforcement services for the purpose of assisting a member of the California Highway Patrol to provide emergency service in response to misdemeanor or felony criminal activity, pursuant to the authority of a peace officer as provided in subdivision (a) of Section 830.2, or, in the event of highway-related traffic accidents, emergency incidents or other similar public safety problems, whether or not a member of the California Highway Patrol is present at the scene of the event. Nothing in this section shall be construed to confer upon the officer the authority to enforce traffic or motor vehicle infractions.

(4) An agreement pursuant to Section 2403.5 of the Vehicle Code is in effect between the Department of the California Highway Patrol and the agency of the adjoining state employing the officer, the officer acts in accordance with that agreement, and the agreement specifies that the officer and employing agency of the adjoining state shall be subject to the same civil immunities and liabilities as a peace officer and his or her employing agency in this state.

(5) The officer receives no separate compensation from this state for providing law enforcement services within this state.

(6) The adjoining state employing the officer confers similar rights and authority upon a member of the California Highway Patrol who renders assistance within that state.

(b) Notwithstanding any other provision of law, any person who is acting as a peace officer in this state in the manner described in this section shall be deemed to have met the requirements of Section 1031 of the Government Code and the selection and training standards of the Commission on Peace Officer Standards and Training if the officer has completed the basic training required for peace officers in his or her state.

(c) In no case shall a peace officer of an adjoining state be authorized to provide services within a California jurisdiction during any period in which the regular law enforcement agency of the

jurisdiction is involved in a labor dispute.

SEC. 7. Section 832.6 of the Penal Code is amended to read:

832.6. (a) Every person deputized or appointed, as described in subdivision (a) of Section 830.6, shall have the powers of a peace officer only when the person is any of the following:

(1) Deputized or appointed pursuant to paragraph (1) of subdivision (a) of Section 830.6 and is assigned to the prevention and detection of crime and the general enforcement of the laws of this state, whether or not working alone, and the person has completed the basic training prescribed by the Commission on Peace Officer Standards and Training.

A person deputized or appointed pursuant to paragraph (2) of subdivision (a) of Section 830.6 shall have the powers of a peace officer when assigned to the prevention and detection of crime and the general enforcement of the laws of this state, whether or not working alone, and the person has completed the basic training course for deputy sheriffs and police officers prescribed by the Commission on Peace Officer Standards and Training.

(2) Assigned to the prevention and detection of crime and the general enforcement of the laws of this state while under the immediate supervision of a peace officer possessing a basic certificate issued by the Commission on Peace Officer Standards and Training, the person is engaged in a field training program approved by the Commission on Peace Officer Standards and Training, and the person has completed the course required by Section 832 and any other training prescribed by the commission.

(3) Deployed and authorized only to carry out limited duties not requiring general law enforcement powers in their routine performance. Those persons shall be permitted to perform these duties only under the direct supervision of a peace officer possessing a basic certificate issued by the commission, and shall have completed the training required under Section 832 and any other training prescribed by the commission for those persons. Notwithstanding the provisions of this paragraph, a level III reserve officer may perform search and rescue, personnel administration support, community public information services, communications technician services, and scientific services, which do not involve direct law enforcement without supervision.

(4) Assigned to the prevention and detection of a particular crime or crimes or to the detection or apprehension of a particular individual or individuals while working under the supervision of a California peace officer in a county adjacent to the state border who possesses a basic certificate issued by the Commission on Peace Officer Standards and Training, and the person is a law enforcement officer who is regularly employed by a local or state law enforcement agency in an adjoining state and has completed the basic training required for peace officers in his or her state.

This training shall fully satisfy any other training requirements required by law, including those specified in Section 832.

In no case shall a peace officer of an adjoining state provide services within a California jurisdiction during any period in which the regular law enforcement agency of the jurisdiction is involved in a labor dispute.

(b) Notwithstanding subdivision (a), a person who is issued a level I reserve officer certificate before January 1, 1981, shall have the full powers and duties of a peace officer as provided by Section 830.1 if so designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, if the appointing authority determines the person is qualified to perform general law enforcement duties by reason of the person's training and experience. Persons who were qualified to be issued the level I reserve officer certificate before January 1, 1981, and who state in writing under penalty of perjury that they applied for but were not issued the certificate before January 1, 1981, may be issued the certificate before July 1, 1984. For purposes of this section, certificates so issued shall be deemed to have the full force and effect of any level I reserve officer certificate issued prior to January 1, 1981.

(c) In carrying out this section, the commission:

(1) May use proficiency testing to satisfy reserve training standards.

(2) Shall provide for convenient training to remote areas in the state.

(3) Shall establish a professional certificate for reserve officers as defined in paragraph (1) of subdivision (a) and may establish a professional certificate for reserve officers as defined in paragraphs (2) and (3) of subdivision (a).

(d) In carrying out paragraphs (1) and (3) of subdivision (c), the commission may establish and levy appropriate fees, provided the fees do not exceed the cost for administering the respective services. These fees shall be deposited in the Peace Officers' Training Fund established by Section 13520.

(e) The commission shall include an amount in its annual budget request to carry out this section.

SEC. 8. Section 2403.5 is added to the Vehicle Code, to read:

2403.5. The commissioner, or a designated representative, may enter into reciprocal operational agreements with authorized representatives of the Oregon State Police, the Nevada Department of Motor Vehicles and Public Safety, and the Arizona Department of Public Safety to promote expeditious and effective law enforcement sevice to the public, and assistance between the members of the California Highway Patrol and those agencies, in areas adjacent to the borders of this state and each of the adjoining states pursuant to Section 830.32 of the Penal Code. The reciprocal operational agreement shall be in writing and may cover the reciprocal exhange of law enforcement services, resources, facilities and any other necessary and proper matters between the Department of the California Highway Patrol and the respective agency. Any agreement shall specify the involved departments, divisions, or units

of the agencies, the duration and purpose of the agreement, the responsibility for damages, the method of financing any joint or cooperative undertaking, and the methods to be employed to terminate an agreement. The commissioner may establish operational procedures in implementation of any reciprocal operational agreement that are necessary to achieve the purposes of the agreement.

CHAPTER 595

An act to amend Section 15364.2 of the Government Code, relating to trade.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 15364.2 of the Government Code is amended to read:

15364.2. (a) The commission shall consist of 15 members as follows:

(1) Nine appointees of the Governor.

(2) Three appointees of the Speaker of the Assembly.

(3) Three appointees of the Senate President pro Tempore.

The Governor, the Lieutenant Governor, and the Secretary of State shall serve as nonvoting ex officio commission members. In addition, the President pro Tempore of the Senate shall appoint a Senator, and the Speaker of the Assembly shall appoint an Assembly Member to serve as nonvoting, ex officio members of the commission.

(b) The members of the commission shall be appointed within 60 days of the effective date of this chapter.

(c) Of the initial appointments to the commission by the Governor, the first four shall be for a term of three years, and the next three for a term of two years. Initial appointments to the commission by the Speaker of the Assembly and the President pro Tempore of the Senate shall be for a term of two years. Thereafter, all appointments shall be for a term of two years. A term shall expire on December 31.

(d) If a vacancy occurs, a replacement shall be named by the initial appointing authority to fill the unexpired term.

Commissioners shall receive travel and other expenses equal to those of state employees and shall receive a per diem of one hundred dollars ($100) when on commission business.

(e) All appointees to the commission shall be professionally active in international trade or international economic development, and shall reflect the state's diverse geographic, economic, and cultural

makeup.

(f) The commission shall be chaired by an appointee of the Governor.

(g) Upon the appointment of the first seven members, the commission may commence formal action pursuant to this chapter.

CHAPTER 596

An act to add Section 1504.6 to the Elections Code, relating to elections.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1504.6 is added to the Elections Code, to read:

1504.6. Upon request of the city or county elections official, state-owned buildings, parking lots, and other facilities shall be made available free of charge for use as polling places, except that the Department of General Services may exclude from use as polling places state facilities at which access to confidential materials cannot be reasonably safeguarded, which are inaccessible to the public, the use of which would disrupt state business, or which are otherwise impractical for use as polling places.

CHAPTER 597

An act to amend Section 13105.2 of the Health and Safety Code, relating to hazardous materials.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 13105.2 of the Health and Safety Code is amended to read:

13105.2. (a) The State Fire Marshal shall establish and operate a statewide hazardous materials training facility to be located at the Del Valle Firefighting Facility of the County of Los Angeles.

(b) Subdivision (a) shall be operative in any fiscal year only to the extent that funds are appropriated in the annual Budget Act or donated by private donors, contributed by local agencies, or provided by other funding sources for the purpose of subdivision (a). Donations by private donors, local agencies, or other sources may be

in the form of money, in-kind services, or equipment. All monetary contributions received pursuant to this subdivision shall be deposited into a special deposit fund account to carry out the requirements of subdivision (a).

CHAPTER 598

An act to amend Section 12404.1 of, to add Section 12413.1 to, and to repeal Section 12413 of, the Insurance Code, relating to insurance.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 12404.1 of the Insurance Code is amended to read:

12404.1. The furnishing of a preliminary report by any title insurer, controlled escrow company or underwritten title company, without charge to any person shall constitute a violation of Section 12404. The charge for a preliminary report shall have a reasonable relation to the cost of production of the report but in no event shall it be less than the rate for a standard owners policy, minimum liability, as set forth in the company's rate schedule. After billing any person for a preliminary report the title insurer, controlled escrow company or underwritten title company shall promptly make a good faith attempt to collect; provided, however, that notwithstanding Section 12404, but without limiting the applicability of that section to other transactions, this charge may be waived or canceled, if the company follows uniform practices as to all customers under like circumstances.

(a) After the issuance of the preliminary report, but before the charge is waived or canceled, the files of the issuing company contain a copy of a bona fide sales or exchange agreement, or loan commitment executed by the party or parties in interest relating to the property described in the report, and the sale, exchange, or loan is not consummated.

(b) When the preliminary report so furnished contains a lien or encumbrance or other title defect which the issuing company has refused to eliminate from its policy of title insurance or to provide insurance against loss by reason thereof, and another title insurance company has eliminated the lien or encumbrance or other title defect from its policy of title insurance or provided insurance against loss resulting therefrom within a reasonable period of time from the date of the issuance of the preliminary report.

The furnishing of the name of the owner of record and the record description of any parcel of real property shall not be deemed to be a violation of Section 12404.

SEC. 2. Section 12413 of the Insurance Code is repealed.

SEC. 3. Section 12413.1 is added to the Insurance Code, to read:

12413.1. No title insurance company, controlled escrow company, or underwritten title company shall disburse funds from an escrow account until the day established by the following:

(a) Except for funds deposited by cash or by electronic payment, deposits accorded next day availability pursuant to Part 229 of Title 12 of the Code of Federal Regulations may not be disbursed until the business day following the business day of deposit.

(b) Except for drafts, deposits not accorded next day availability pursuant to Part 229 of Title 12 of the Code of Federal Regulations shall not be disbursed until the day on which these funds must be made available to depositors under the federal regulation specified in this subdivision.

(c) Funds deposited by cash or by electronic payment may be disbursed following deposit on the same business day as the business day of deposit.

(d) Notwithstanding the provisions of subdivision (b), deposits other than drafts may be disbursed on the business day following the business day of deposit if the financial institution to which the funds have been deposited informs the title insurance company, controlled escrow company, or underwritten title company in writing that final settlement has occurred on the deposited item.

(e) Where a draft, other than a share draft, has been received and submitted for collection, no title insurance company, controlled escrow company, or underwritten title company shall disburse funds from an escrow account with respect to the draft until the proceeds of the draft have become available for withdrawal from the financial institution to which the draft has been submitted for collection. For purposes of this subdivision, "available for withdrawal" means when the draft has been submitted for collection and payment received. Notwithstanding this subdivision, disbursement of funds represented by share drafts shall be governed by subdivisions (b) and (d), if applicable.

(f) For purposes of this section, "escrow account" means any depository account with a financial institution to which funds are deposited with respect to any transaction wherein one person, for the purpose of effecting the sale, transfer, encumbering or leasing of real or personal property to another person, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by that third person until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by that third person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor, or any agency or employee of the latter.

(g) Except as provided in subdivision (h), for purposes of this section, any word or term used herein or relevant to interpretation of this section, including, but not limited to, "available for withdrawal," "check," "electronic payment," and "business day,"

which is defined in Part 229 of Title 12 of the Code of Federal Regulations on January 1. 1990, shall have the meaning there given as the regulations existed on January 1, 1990.

(h) For purposes of this section, "financial institution" means any financial institution specified in Section 12413.5.

(i) No title insurance company, controlled escrow company, or underwritten title company shall be liable for a violation of this section if the violation was not intentional or resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid that error. Examples of bona fide errors include, but are not limited to, clerical, calculation, computer malfunction and programming, and printing errors.

(j) Nothing in this section shall be deemed to prohibit the recordation of documents prior to the time funds are available for disbursement with respect to a transaction provided the parties to the transaction consent in writing prior thereto.

(k) Nothing in this section is intended to amend, alter, or supersede other sections of this code, or other laws of this state or the United States, regarding an escrow holder's duties and obligations.

CHAPTER 599

An act to amend Sections 17540.10 and 17540.15 of the Business and Professions Code, relating to travel promoters.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 17540.10 of the Business and Professions Code is amended to read:

17540.10. (a) A travel promoter shall deposit 90 percent of all sums received, including, but not limited to, those made by cash, credit card, or any other method of payment, for air or sea transportation or any other services or goods offered by the travel promoter in conjunction with that transportation directly into a trust account in a federally insured bank or savings and loan association.

(b) The trust required by this section shall be created and maintained for the benefit of the persons paying money to the travel promoter. The travel promoter shall not in any manner encumber the corpus of the account and shall not withdraw money therefrom except: (1) in partial or full payment for the goods or services contracted for by the passengers to the carrier or person providing the other goods or services offered by the travel promoter; or (2) to make the refunds as required by this article or provided for by written contract between the travel promoter and passengers. This section shall not prevent the withdrawal from that account of any

interest earned and credited to the trust account for the sole benefit of the travel promoter after all goods and services have been provided as contracted for or the withdrawal at that time of any other sums on deposit in that account.

(c) In lieu of that trust account, an adequate bond shall be maintained by the travel promoter. A copy of that bond shall be filed with the office of the Attorney General prior to the advertisement of air or sea transportation, or both, by the travel promoter.

SEC. 2. Section 17540.15 of the Business and Professions Code is amended to read:

17540.15. (a) Not less than 10 days prior to doing business in this state, a travel promoter shall register with the office of the Attorney General by filing with the Consumer Law Section the information required by Section 17540.16 and a filing fee of fifty dollars ($50). A travel promoter shall be deemed to do business in this state if the travel promoter solicits prospective purchasers from locations in this state or solicits prospective purchasers who are located in this state.

(b) Registration shall be valid for one year from the effective date thereof and may be annually renewed by making the filing required by Section 17540.16 and paying a filing fee of fifty dollars ($50).

(c) Whenever, prior to expiration of a travel promoter's annual registration, there is a material change in the information required by Section 17540.16, the travel promoter shall, within 10 days, file an addendum updating the information with the Consumer Law Section of the office of the Attorney General.

(d) This section does not apply to any of the following:

(1) An officially appointed agent of an air carrier that operates under a certificate of convenience and necessity issued by the United States Department of Transportation.

(2) An individual, natural person who meets all of the following conditions:

(A) Has a written contract with an officially appointed agent of an air carrier or ocean carrier to act on that agent's behalf in offering or selling air or sea transportation and other goods or services in connection with the transportation.

(B) Acts only on behalf of an agent with whom the person has a written contract in the offer or sale to a passenger of air or sea transportation and other goods or services in connection with the transportation and sells no other air or sea transportation, goods, or services to that passenger.

(C) Provides air or sea transportation that is offered or sold pursuant to the agency appointment of the agent with whom the person has a written contract.

(D) Does not receive any consideration for air or sea transportation or other services from the passenger.

(E) Requires the passenger to pay all consideration for air or sea transportation or other services directly to the air carrier or ocean carrier or to the officially appointed agent.

CHAPTER 600

An act to amend Section 18681.6 of the Revenue and Taxation Code, to amend Sections 1113.1, 1176.5, 3012, and 13050 of, to add Section 13052.5 to, and to repeal Section 1185 of, the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 18681.6 of the Revenue and Taxation Code is amended to read:

18681.6. (a) In addition to the penalty imposed by Section 18681.1 (relating to failure to file information returns), if any person, or entity fails to report amounts paid as remuneration for personal services as required under Section 13050 of the Unemployment Insurance Code or Sections 18802 and 18802.2 on the date prescribed therefor (determined with regard to any extension of time for filing), that person or entity may be liable for a penalty determined under subdivision (b).

(b) For purposes of subdivision (a), the amount determined under this subdivision is the maximum rate under Section 17041 multiplied by the unreported amounts paid as remuneration for personal services.

(c) The penalty imposed by subdivision (a) shall be assessed against that person or entity required to file a return under Section 13050 of the Unemployment Insurance Code or Section 18802 or 18802.2.

(d) Article 2 (commencing with Section 18581) of Chapter 18 of this part (relating to deficiency assessments) shall not apply with respect to the assessment or collection of any penalty imposed by subdivision (a).

(e) The penalty imposed under subdivision (a) shall be in lieu of the penalty imposed under Section 13052.5 of the Unemployment Insurance Code (relating to unreported compensation).

SEC. 2. Section 1113.1 of the Unemployment Insurance Code is amended to read:

1113.1. (a) An employer who through an error caused by excusable neglect erroneously reports the number of calendar weeks for which an employee has earned wages payable by the employer or the amount of wages earned in any calendar week pursuant to subdivision (b) of Section 1088 shall not be liable for penalty, except as provided by Section 1114.

(b) An employer who through an error caused by excusable neglect makes an underpayment of the amount due on a periodic return pursuant to subdivision (b) of Section 1088 shall not be liable for penalty or interest under Sections 1112, 1113, 1127 or 1129 if

proper adjustment is made at the time of the filing of the quarterly return under subdivision (a) of Section 1088 and an explanation of the error is attached to such return.

SEC. 3. Section 1176.5 of the Unemployment Insurance Code is amended to read:

1176.5. (a) Except as provided by subdivision (c) of this section, refunds and credits under Section 1176 shall be claimed pursuant to Section 17061 of the Revenue and Taxation Code on the personal income tax return of the claimant for the year in which the wages in excess of the applicable limitation are received. In no event shall the credit or refund be made unless the claim is made on a return filed within three years from the last day prescribed for filing the return, without regard to any extensions. The director shall transfer from the Disability Fund to the General Fund an amount equal to the amount of credits and refunds allowed by the Franchise Tax Board pursuant to Section 17061 of the Revenue and Taxation Code.

(b) If the Franchise Tax Board disallows an individual's claim filed pursuant to subdivision (a), he or she may file a protest and submit the claim to the director within 30 days of the date of mailing of the notice of disallowance by the Franchise Tax Board. An additional 30 days for the filing of the protest may for good cause be granted by the director.

(c) If any individual is not required to file a personal income tax return for a year with the Franchise Tax Board, he or she may, within three years after the calendar year in which the wages in excess of the applicable limitation are received, file a claim for refund or credit under Section 1176 with the director.

(d) The director shall make refunds from the Disability Fund if he or she allows a claim under this section. The provisions of Sections 1180, 1222, 1223, 1224, 1241, and 1242 shall apply whenever the director denies any claim for refund or credit under this section or affirms the disallowance of a claim for refund or credit by the Franchise Tax Board.

SEC. 4. Section 1185 of the Unemployment Insurance Code is repealed.

SEC. 5. Section 3012 of the Unemployment Insurance Code is amended to read:

3012. (a) Notwithstanding Section 13340 of the Government Code, all money in the Disability Fund is continuously appropriated for the purpose of providing disability benefits pursuant to this part, including the payment of refunds, credits, or judgments, and interest thereon, the payment of disability benefits to all eligible persons not covered exclusively by an approved voluntary plan, and the payment of the expenses of administration of this part and Section 17061 of the Revenue and Taxation Code by the department and the Franchise Tax Board. "Eligible persons" as used in this section, means those individuals who are covered by the Disability Fund at the time their period of disability commences, or whose employment has terminated or who are in noncovered employment at the time their

period of disability commences, and who are otherwise eligible for benefits under this part.

(b) For the purpose of keeping a record of the payments to and the disbursements from the Disability Fund with respect to the payment of benefits to persons whose employment has terminated or who are in noncovered employment at the time their period of disability commences, the director shall maintain the Unemployed Disabled Account in the Disability Fund. This account shall be credited with 12 percent of the product obtained by multiplying the rate of worker contributions as determined in Section 984, by the amount of the taxable wages paid to employees covered by voluntary plans for disability benefits for each calendar year. This account shall also be credited with an amount equal to 12 percent of the product obtained by multiplying the rate of worker contributions as determined in Section 984, by the amount of the taxable wages paid to employees covered by the Disability Fund for each calendar year. This account shall be charged each calendar year with disbursements from the Disability Fund for the payment of benefits and the additional administrative costs of the payment of benefits to persons whose employment has terminated or who are in noncovered employment at the time their period of disability commences.

SEC. 6. Section 13050 of the Unemployment Insurance Code is amended to read:

13050. (a) Every employer or person required to deduct and withhold from an employee a tax under Section 986, 3260, or 13020, or who would have been required to deduct and withhold a tax under Section 13020 (determined without regard to Section 13025) if the employee had claimed no more than one withholding exemption, shall furnish to each employee in respect of the remuneration paid by the person to the employee during the calendar year, on or before January 31 of the succeeding year, or, if his or her employment is terminated before the close of the calendar year, on the day on which the last payment of remuneration is made, a written statement showing all of the following:

(1) The name of the person.

(2) The name of the employee, and his or her social security or identifying number if wages have been paid.

(3) The total amount of wages, except that in the case of tips received by an employee in the course of his or her employment, the amounts required shall include only those tips included in statements furnished to the employer pursuant to Section 13055.

(4) The total amount deducted and withheld as tax under Section 13020.

(5) The total amount of worker contributions paid by the employee pursuant to Section 986.

(6) The total amount of worker contributions paid by the employee pursuant to Section 3260.

(7) The total amount of elective deferrals (within the meaning of Section 402(g)(3) of the Internal Revenue Code) and compensation

deferred pursuant to Section 457 of the Internal Revenue Code.

(b) The statement required to be furnished pursuant to this section in respect of any remuneration shall be furnished at other times, shall contain other information, and shall be in a form, as the department may by authorized regulations prescribe.

(c) A duplicate of any statement made pursuant to this section and in accordance with authorized regulations prescribed by the department shall, when required by the regulations, be filed with the department.

(d) If, during any calendar year, any person makes a payment of third-party sick pay to an employee, that person shall, on or before January 15 of the succeeding year, furnish a written statement to the employer in respect of whom the payment was made showing all of the following:

(1) The name and, if there is withholding under this division, the social security number of that employee.

(2) The total amount of the third-party sick pay paid to that employee during the calendar year.

(3) The total amount, if any, deducted and withheld from that sick pay under this division. For purposes of the preceding sentence, the term "third-party sick pay" means any sick pay, as defined in subdivision (b) of Section 13028.6, which does not constitute wages for purposes of this division, determined without regard to subdivision (a) of Section 13028.6.

(A) The reporting requirements of subdivision (a) with respect to any payments shall, with respect to those payments, be in lieu of the requirements of subdivision (a) and of Section 18802 of the Revenue and Taxation Code.

(B) For purposes of Chapter 10 (commencing with Section 2101) of Part 1 of Division 1, the statements required to be furnished by this subdivision shall be treated as statements required under this section to be furnished to employees.

(C) Every employer who receives a statement under this subdivision with respect to sick pay paid to any employee during any calendar year shall, on or before January 31 of the succeeding year, furnish a written statement to that employee showing all of the following:

(i) The information shown on the statement furnished under this subdivision.

(ii) If any portion of the sick pay is excludable from gross income pursuant to Article 3 (commencing with Section 17131) of Chapter 3 of Part 10 of Division 2 of the Revenue and Taxation Code, the portion which is not so excludable and the portion which is so excludable. To the extent practicable, the information required under the preceding sentence shall be furnished on or with the statement, if any, required under subdivision (a).

(e) The Franchise Tax Board shall be allowed access to the information filed with the department pursuant to this section.

SEC. 7. Section 13052.5 is added to the Unemployment Insurance

Code, to read:

13052.5. (a) In addition to the penalty imposed by Section 18681.1 of the Revenue and Taxation Code (relating to failure to file information returns), if any person, or entity fails to report amounts paid as remuneration for personal services as required under Section 13050 of this code or Sections 18802 and 18802.2 of the Revenue and Taxation Code on the date prescribed thereof (determined with regard to any extension of time for filing), that person or entity may be liable for a penalty determined under subdivision (b).

(b) For purposes of subdivision (a), the amount determined under this subdivision is the maximum rate under Section 17041 of the Revenue and Taxation Code multiplied by the unreported amounts paid as remuneration for personal services.

(c) The penalty imposed by subdivision (a) shall be assessed against that person or entity required to file a return under Section 13050 of this code or Section 18802 or 18802.2 of the Revenue and Taxation Code.

(d) Sections 1221 and 1222 of the Unemployment Insurance Code shall not apply to assessments imposed by this section.

(e) The penalty imposed under this section shall be in lieu of the penalty imposed under Section 18681.6 of the Revenue and Taxation Code.

CHAPTER 601

An act to add Section 7210.7 to the Business and Professions Code, relating to guide dogs.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 7210.7 is added to the Business and Professions Code, to read:

7210.7. The board may authorize schools licensed by the board or instructors employed by those schools to provide home training in the use of guide dogs

If a school desires to provide home training in the use of guide dogs, it shall apply to the board and provide the board with a written plan and procedure for conducting that home training, which shall be approved by the board prior to conducting any home training.

Schools providing home training in the use of guide dogs shall, annually, provide the board with the names and addresses of those persons who are receiving home training and shall include those persons who have received home training from the school subsequent to the last report filed with the board.

The guide dog user, as a condition of receiving home training, shall

have completed a formal in-residence training program within the previous two years from a school licensed to provide guide dog training.

Home training, as provided in this section, shall consist of not less than 20 hours of training.

This section shall only apply to those schools that are licensed by the board to furnish guide dogs and to train persons to use guide dogs, who desire to provide home training in the use of guide dogs, and who apply to the board for approval to provide that home training.

CHAPTER 602

An act relating to local government financing.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Any actions previously taken by a city, county, special district, or local agency formation commission, including the governing board or any officer thereof, to implement Section 99 of the Revenue and Taxation Code for purposes of completing an exchange of property tax revenues in the case of a jurisdictional change are hereby confirmed, validated, and declared legally effective.

SEC. 2. It is the intent of the Legislature that this act shall respond to the opinion of the Attorney General (No. 88-501, December 7, 1988) that property tax exchange agreements between local agencies not reached within a 30-day negotiating period are void.

CHAPTER 603

An act to add Chapter 12.5 (commencing with Section 18980) to Part 6 of Division 9 of the Welfare and Institutions Code, relating to the Child Abuse Prevention Coordinating Council Act, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Chapter 12.5 (commencing with Section 18980) is added to Part 6 of Division 9 of the Welfare and Institutions Code,

to read:

CHAPTER 12.5. CHILD ABUSE PREVENTION COORDINATING COUNCIL ACT

Article 1. General Provisions

18980. This chapter shall be known and may be cited as the Child Abuse Prevention Coordinating Council Act.

18981. The Legislature finds and declares all of the following:

(a) Child abuse is one of the most tragic social and criminal justice issues of our times.

(b) Victims of child abuse and their families face a complex intervention system involving many professionals and agencies.

(c) Coordination by child protection agencies and personnel improves the response to a victim and his or her family.

(d) The prevention of child abuse requires the involvement of the entire community.

18981.1. It is the intention of the Legislature to fund child abuse prevention coordinating councils in each county.

Article 2. Child Abuse Prevention Coordinating Councils

18982. A child abuse prevention coordinating council is a community council whose primary purpose is to coordinate the community's efforts to prevent and respond to child abuse.

18982.1. Councils funded by this chapter shall encourage representatives from the following:

(a) Public child welfare services, including the following:

(1) The county welfare or children's services department.

(2) The probation department.

(3) Licensing agencies.

(b) The criminal justice system, including the following:

(1) Law enforcement.

(2) The office of the district attorney.

(3) The courts.

(4) The coroner.

(c) Prevention and treatment services communities, including the following:

(1) Medical and mental health services.

(2) Community-based social services.

(3) Public and private schools.

(d) Community representatives, including the following:

(1) Community volunteers.

(2) Civic organizations.

(3) The religious community.

18982.2. The functions of a council shall include, but not be limited to, the following:

(a) To provide a forum for interagency cooperation and

coordination in the prevention, detection, treatment, and legal processing of child abuse cases.

(b) To promote public awareness of the abuse and neglect of children and the resources available for intervention and treatment.

(c) To encourage and facilitate training of professionals in the detection, treatment, and prevention of child abuse and neglect.

(d) To recommend improvements in services to families and victims.

(e) To encourage and facilitate community support for child abuse and neglect programs.

18982.3. Councils may form committees to carry out specific functions, such as the following:

(a) Interagency coordination committees.

(b) Multidisciplinary personnel teams.

(c) Professional training committees.

(d) Public awareness committees.

(e) Service improvement committees.

(f) Advocacy committees.

(g) Fundraising committees.

18982.4. The multidisciplinary personnel team provisions of subdivision (*l*) of Section 5328, subdivision (d) of Section 18951, and Section 18961 shall apply to child abuse prevention coordinating councils funded under this chapter.

Article 3. Selection and Administration

18983. Each county shall fund child abuse prevention coordinating councils which meet the criteria in Section 18982 from the county's children's trust fund. In the event that the county does not create a children's trust fund, the board of supervisors shall apply for funds from the State Children's Trust Fund. Initial funding of councils shall be scheduled to accommodate ongoing funding of programs or funds already encumbered for other purposes.

Funds for councils selected pursuant to this chapter shall not be considered administrative costs for purposes of Sections 18967 and 18969.

18983.3. In the event that more than one council per county exists, the county board of supervisors shall develop a procedure for selecting a council for funding. More than one existing council may be funded in counties with geographically distinct population centers.

18983.4. For counties without existing councils the county board of supervisors shall make every effort to facilitate the formation and funding of a council in that county.

18983.5. Councils funded under this chapter shall be incorporated as nonprofit corporations, or established as independent organizations within county government, or comparably independent organizations as determined by the office. New or existing councils may apply for funds using a fiscal agent

pending incorporation.

18983.6. Councils receiving funding under this chapter shall develop a protocol for interagency coordination and provide yearly reports to the county board of supervisors.

18983.8. Councils receiving funding under this chapter shall provide a local cash or in-kind match of 33⅓ percent. For councils unable to raise the full match for the maximum allocation, a partial grant shall be provided in the amount of three grant dollars to each match dollar.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to preserve the Child Abuse Prevention Coordinating Council Act as it existed prior to June 30, 1989, it is necessary that this act go into immediate effect.

CHAPTER 604

An act to amend Sections 113, 26591, 26593, 26593.1, 26593.2, 26593.4, 26593.5, 26593.6, 26593.7, 26593.8, 26593.9, 26594, 26594.2, and 26594.3 of, to add Sections 26591.1, 26591.2, 26591.3, 26591.4, and 26594.1 to, and to repeal and add Sections 26592, 26592.1, and 26592.2 to, the Health and Safety Code, relating to water.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 113 of the Health and Safety Code is amended to read:

113. (a) The fees or charges for the issuance or renewal of any permit, license, or registration pursuant to Sections 403, 436.53, 527, 1017, 1616, 1676, 1677, 2202, 2805, 4083, 11887, 23013, 25628, 25694, 25696, 25697, 25812.8, 25816, 25817, 26506.2, 26593.2, 26593.4, 26688, 27010, 27011, 28126, 28410, 28411, and 28702 shall be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the state department. After the first annual adjustment of fees or charges pursuant to this section, the fees or

charges subject to subsequent adjustment shall be the fees or charges for the prior calendar year. The percentage change shall be determined by the Department of Finance, and shall include at least the total percentage change in salaries and operating expenses of the department. However, the total increase in amounts collected under this section shall not exceed the total increased cost of the program or service provided.

(b) The state department shall publish annually a list of the actual numerical fee charges for each permit, license, certification, or registration governed by this section. This adjustment of fees and publication of the fee list pursuant to subdivision (d) of Section 1017 shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code until January 1, 1992.

SEC. 1.5. Section 26591 of the Health and Safety Code is amended to read:

26591. (a) "Bottled water," means any water which is placed in a sealed container at a water-bottling plant to be used for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans. Bottled water shall not include water packaged with the approval of the department for use in a public emergency.

(b) "Vended water" means any water that is dispensed by a water-vending machine, retail water facility, or water from a private water source, or other water as defined in Section 26594 which is not placed by a bottler in sealed containers, and which is dispensed by a water-vending machine, retail water facility, water hauler, or any other person or facility for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans. "Vended water," does not include water from a public water system which has not undergone additional treatment. Water sold without further treatment is not "vended water" and shall be labeled in accordance with paragraph (10) of subdivision (a) of Section 26594.

(c) "Water-bottling plant" means any facility in which bottled water is produced.

(d) A "water-vending machine" means any self-service device which, upon insertion of a coin, coins, or token, or upon receipt of payment by any other means, dispenses a unit volume of water to be used for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans.

(e) "Water hauler," means any person who hauls water in bulk by any means of transportation if the water is to be used for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans.

"In bulk," as used in this subdivision, means containers having capacities of 250 gallons or greater.

(f) "Retail water facility" means any commercial establishment where vended water is sold, and placed in customer's containers, or placed in containers sold or given to customers who come to the establishment to obtain water.

(g) "Private water source," means a privately owned source of water, other than a public water system, which is used for bottled or vended water and meets the requirements of an approved source for bottled water as defined in Section 129.3 of Title 21 of the Code of Federal Regulations.

(h) "Bottled water distributor" means any person, other than an employee or representative of a bottled water plant, who delivers bottled water directly to customers.

SEC. 2. Section 26591.1 is added to the Health and Safety Code, to read:

26591.1. (a) Any person who processes, packages, distributes, transfers, or stores bottled water or vended water shall comply with the good manufacturing practices described in Part 129 of Title 21 of the Code of Federal Regulations.

(b) Prior to bottling or vending water, the water shall be subjected to filtration and effective germicidal treatment by ozone, ultraviolet, carbon dioxide, or an equivalent disinfection process approved by the department, except that the requirements for filtration and germicidal treatment shall not apply to mineral water as defined in and from a source that is subject to the council directive of the European Economic Community pertaining to natural mineral waters, dated July 15, 1980, or that is subject to any other natural mineral water standard in the country of origin which prohibits filtration and germicidal treatment, so long as both of the following conditions are met:

(1) The source and product are certified by the responsible authority in the country of origin as complying with microbiological standards at least equal to the standards of this article.

(2) The product complies with microbiological standards of this article.

(c) Bottled or vended water which originates from a surface water source which is not protected from surface contamination shall be subjected to ozonation, filtration, or another effective process which removes or destroys the cysts of the parasite Giardia lamblia. For the purposes of this section, a spring house, catchment basin, storage tank, or bore hole adjacent to a natural spring water source as defined in paragraphs (3) and (8) of subdivision (e) of Section 26594, is not a surface water source.

(d) Ollas or other water-holding dispensers, both refrigerated and nonrefrigerated, water-vending machines, and water dispensers in retail water facilities, shall be examined for cleanliness each time they are serviced by the distributor, bottler, retail water facility, or water-vending machine operator. When necessary, these dispensers shall be sanitized according to the methods described in Part 129 of Title 21 of the Code of Federal Regulations.

(e) Sanitary operations, equipment procedures, and process controls used in the treatment, storage, transport, or dispensing of water at a retail water facility shall comply with the good manufacturing practices described in the following provisions of Part

129 of Title 21 of the Code of Federal Regulations: subdivisions (a) to (c), inclusive, of Section 129.37; Section 129.40; and subdivisions (a), (c), (d), and (h) of Section 129.80.

(f) Sanitary operations, equipment, procedures, and process controls used in the treatment, storage, transfer, transport, or dispensing of water by water haulers, shall comply with the good manufacturing practices described in the following provisions of Part 129 of Title 21 of the Code of Federal Regulations: subdivisions (a) and (b) of Section 129.37; Section 129.40; and subdivisions (a), (c), (d), and (h) of Section 129.89.

(g) The design and construction of wells, bore holes, catchment basins, spring houses, storage tanks, or other water-contact equipment used by private water sources shall comply with the requirements of the local regulatory authority. Sanitary operations, equipment procedures, and transfer controls used in the treatment, storage, transfer, or dispensing of water by private water source operators shall comply with the good manufacturing practices described in the following provisions of Part 129 of Title 21 of the Code of Federal Regulations: subdivision (a) of Section 129.37; Section 129.40; and subdivisions (a), (c), (d), (g), and (h) of Section 129.80.

(h) Bottled water may be processed through lines used also for other food products under the following conditions:

(1) Process lines, including storage tanks and associated equipment, shall be used exclusively for the production of bottled water, except for filling equipment, which may be used also for filling other food products.

(2) Before being used for the bottling of water, filling equipment which is designed to be cleaned in-place and which is used for filling other food products shall be thoroughly cleansed and sanitized in-place in accordance with the manufacturer's specifications and in compliance with Section 129.80 of Title 21 of the Code of Federal Regulations and the supplementary procedures that follow in paragraphs (3) to (7), inclusive, of this section.

(3) Immediately following completion of filling operations for any other food product other than water, the filler shall be thoroughly rinsed internally and externally with potable water.

(4) In accordance with filler manufacturer's instructions, any parts which are not designed to be cleaned in-place shall be disassembled and removed. All of these parts shall be cleansed and sanitized prior to reassembly using appropriate cleansing and sanitizing procedures, as specified in subdivisions (c) and (d) of Section 129.80 of Title 21 of the Code of Federal Regulations.

(5) All surfaces of the filler which do not contact food products shall be cleaned manually so as to render all surfaces clean and free of any residues.

(6) The filler shall be prepared and all appropriate connections made in accordance with the filler manufacturer's instructions to place the filler in the clean-in-place mode. The following procedures

shall be followed:

(A) An alkaline cleaning solution of appropriate strength shall be recirculated through the filler to provide effective cleaning of all product contact surfaces, with a minimum recirculation time of 20 minutes at a temperature between 140 and 170 degrees fahrenheit.

(B) The cleaning solution shall be drained and followed with a potable water rinse-to-drain for the removal of all residual cleaner alkalinity. This step may be supplemented by the application of an acidified rinse prior to the potable water rinse in order to neutralize any residual alkalinity on product contact surfaces.

(7) Following reassembly of all parts to place the filler into the product mode and just prior to bottling water, the filler shall be sanitized in-place in accordance with procedures specified in subdivision (d) of Section 129.80 of Title 21 of the Code of Federal Regulations.

(8) Any alternate cleaning, rinsing, or sanitizing operations or processes not described in this section shall be approved in writing by the department.

(i) Bottled water and bulk waters sold at retail shall not contact equipment, lines, tanks, or vehicles used for processing, packaging, holding, or hauling of any nonfood product.

SEC. 3. Section 26591.2 is added to the Health and Safety Code, to read:

26591.2. The quality standard requirements for bottled water and vended water, including mineral water, shall include all standards prescribed by Section 103.35 of Subpart B of Part 103 of Title 21 of the Code of Federal Regulations, except that water labeled as mineral water shall exceed 500 milligrams per liter of total dissolved solids and may exceed the quality standards for chloride, copper, manganese, iron, sulfate, and zinc prescribed in Section 103.35 of Title 21 of the Code of Federal Regulations. The department may develop additional standards for chloride, copper, manganese, iron, sulfate, or zinc in mineral water that the department determines are reasonably necessary to protect the public health. In addition, bottled water and vended water, when bottled, shall comply with the following quality standards and any additional quality standards adopted by regulation which the department determines are reasonably necessary to protect the public health:

(a) Bottled water and vended water shall meet all maximum contaminant levels set for public drinking water that the department determines, after public comment, are necessary or appropriate so that bottled water may present no adverse effect on public health. New or revised maximum contaminant levels or monitoring provisions adopted for bottled water by the United States Food and Drug Administration under the federal Food, Drug and Cosmetic Act that are more stringent than the state requirements for bottled water are incorporated into this chapter and are effective on the date established by the federal provisions unless otherwise established by regulations of the department.

(b) Bottled and vended water shall not exceed 10 parts per billion of total triahalomethanes or five parts per billion of lead unless the department establishes a lower level by regulation.

(c) Bottled and vended water shall contain no chemicals in concentrations which the United States Food and Drug Administration or the state department has determined may have an adverse effect on public health.

(d) Mineral water producers which bottle 5,000 gallons, or less, per week shall have until February 1, 1990, to comply with the quality standards for bottled water pursuant to this paragraph. Mineral water producers may present to the state department data on consumption of mineral water and the health effects of inorganic elements which may be present as listed in the bottled water quality standards prescribed by Section 103.35 of Subpart B of Part 103 of Title 21 of the Code of Federal Regulations.

SEC. 4. Section 26591.3 is added to the Health and Safety Code, to read:

26591.3. Polycarbonate resins manufactured after January 1, 1988, and intended for use in fabricating containers for water products defined in this article shall not contain in excess of three parts per million residual methylene chloride or in excess of 200 parts per million residual monochlorobenzene unless the department establishes a lower level by regulation. For the purpose of monitoring compliance with this section, the concentration of methylene chloride and monochlorobenzene shall not exceed one part per billion in water. "Polycarbonate resins" means the substances defined by Section 177.1580 of Title 21 of the Code of Federal Regulations except as modified by this section.

SEC. 5. Section 26591.4 is added to the Health and Safety Code, to read:

26591.4. Any owner or operator of a water-vending machine or other device from which any operator or customer dispenses vended water shall comply with the following standards of design, construction and sanitation and any additional standards adopted by regulation which the department determines are reasonably necessary to protect the public health. The water-vending machines or devices shall do all of the following:

(a) Comply with the construction and performance standards established by the department or by an independent authority approved by the department.

(b) Be designed and constructed to permit easy cleaning and maintenance of all exterior and interior surfaces.

(c) Have all parts and surfaces which come into contact with the water constructed of approved, corrosive-resistant and nonabsorbent material capable of withstanding repeated cleaning and sanitizing treatment.

(d) Have a recessed or guarded corrosion-resistant dispensing spout.

(e) Be designed so that all treatment of the vended water by

distillation, ion exchange, filtration, ultraviolet light, reverse osmosis, mineral addition, or any other acceptable process is done in an effective manner.

(f) Have an effective system of handling drip, spillage, and overflow of water.

(g) Have a backflow prevention device approved by the department for all connections with the water supply.

(h) Dispense water disinfected by untraviolet light or other method approved by the department prior to delivery into the customer's container.

(i) Be equipped with monitoring devices designed to shutdown operation of the machine when the disinfection unit fails to function, or shall be monitored daily at startup and manually shutdown whenever the unit fails to function.

(j) Be equipped with a self-closing, tight-fitting door on the vending compartment, or enclosing the vending spout to protect the vending spout when the water-vending machine is not in use. As an alternative, water-vending machines or other water-dispensing devices may be enclosed in a room with tight-fitting walls, ceilings, and one of the following: a self-closing door, an effective air screen device, or an alternative effective device approved by the department.

(k) Comply with the American Water Works Association (AWWA) specifications for granular activated carbon if used in the treatment of potable water (AWWA B604-74).

(*l*) Be maintained in a clean and sanitary condition, free from dirt and vermin.

(m) Use a state approved and regulated public water supply or private water source.

(n) Be located in an area that can be maintained in a clean condition and in a manner that avoids insect and rodent harborage.

(o) Be equipped with monitoring devices designed to shut down the labeled purified water delivery system if treatment of water by the machine does not result in a total dissolved solids content of less than 10 milligrams per liter in the purified water. Alternatively, machines shall be monitored daily at startup and manually shutdown whenever the total dissolved solids content exceeds 10 milligrams per liter in the purified water.

SEC. 6. Section 26592 of the Health and Safety Code is repealed.

SEC. 7. Section 26592 is added to the Health and Safety Code, to read:

26592. It shall be unlawful to operate a bottled plant water plant, water-vending machine, retail water facility, or private water source in violation of the minimum health standards of this article.

SEC. 8. Section 26592.1 of the Health and Safety Code is repealed.

SEC. 9. Section 26592.1 is added to the Health and Safety Code, to read:

26592.1. It is unlawful for any person to operate a water vending machine in this state which does not satisfy the minimum standards

prescribed by this article for the design, construction, and sanitation of water-vending machines.

SEC. 10. Section 26592.2 of the Health and Safety Code is repealed.

SEC. 11. Section 26592.2 is added to the Health and Safety Code, to read:

26592.2. The department, upon the request of a local health officer, may authorize the local health officer to implement and enforce those provisions of this article which relate to water-vending machines, retail water facilities, and water haulers under the terms and conditions specified by the department.

SEC. 12. Section 26593 of the Health and Safety Code is amended to read:

26593. (a) No person shall operate a water-bottling plant, a private water source, or be a bottled water distributor in this state except pursuant to a license issued by the department. If a person has a valid water-bottling plant license issued by the department, additional license fees for a private water source operator, a retail water facility, a water hauler, or a bottled water distributor based and operating at the same address, shall not be required.

(b) No person shall own or operate a water-vending machine or a retail water facility or be a water hauler, except pursuant to a license issued by the department or to a permit issued by a local health department.

(c) It shall be unlawful for any person to bottle, collect, treat, hold, distribute, haul, vend, or sell bottled water, vended water, operate a retail water facility, or operate a private water source without the license as required by this article. Any bottled water or vended water dispensed by a retail water facility or a private water source that is not licensed in compliance with this article is misbranded and may be embargoed pursuant to subdivision (e) of Section 26593.

(d) It shall be unlawful for a water bottler, distributor, vendor, retail water facility operator, or private water source operator to sell or otherwise distribute water that is adulterated, as defined in Section 26504, 26520, 26523, or 26524, or that is misbranded as defined in Article 4 (commencing with Section 26550).

(e) For the purposes of enforcing this section, water may be embargoed pursuant to Section 26830 in its immediate container, well, spring, spring vault, holding tank, water hauling vehicle, retail water treatment system, spigot, or pipe if there is reasonable cause to believe that it is adulterated.

(f) Any retail water facility, water vendor, or water hauler which violates this article may be subjected to the same penalty and enforcement procedure provided for violation of this article by a water bottling facility.

SEC. 13. Section 26593.1 of the Health and Safety Code is amended to read:

26593.1. No bottled water produced in an out-of-state bottling plant shall be sold or distributed within this state unless either the

out-of-state bottler or the distributor shall have first obtained a bottler's or distributor's license.

SEC. 14. Section 26593.2 of the Health and Safety Code is amended to read:

26593.2. (a) The department shall charge and collect a fee for each license application submitted in accordance with the fee schedule in Table 1, which shall be an amount reasonably necessary to produce sufficient revenue to enforce the provisions of this article. The fees collected shall be adjusted annually as required by Section 113. New applicants for a water bottling plant license shall pay Category 2 fees for the first license year.

(b) The water-bottling plant and bottled water distributor categories shall be determined by dividing by 52 the number of gallons produced or shipped into California during the previous year. If the result is an average of 5,000 gallons or less per week, the firm is Category 1. If the average exceeds 5,000 gallons per week, the firm is Category 2.

Table 1
License Fees

License Class	Annual Fee
Water-Bottling Plant	
Category 1	$310
Category 2	875
Water-Vending Machine	10.25
Water Hauler	310
Retail Water Facility	310
Private Water Source Operator	310
Bottled Water Distributor	310

(c) The owners or operators of each water-bottling plant, retail water facility, private water source, each water hauler in California and bottlers or distributors of water bottled out-of-state shall make application for a license on forms provided by the department. Applications and license fees shall be submitted for each calendar year.

(d) Each water-vending machine owner or operator shall make application each calendar year for a license for all machines on forms provided by the department. A decal or seal provided by the department indicating a license fee has been paid shall be affixed in a prominent place to each water-vending machine in service.

SEC. 15. Section 26593.4 of the Health and Safety Code is amended to read:

26593.4. The department shall charge and collect a fee for each department evaluation required to issue a new license for a water-vending machine model or a retail water facility to determine

compliance with standards established by this article. The fee shall be three hundred dollars ($300) and shall be adjusted annually as required by Section 113.

SEC. 16. Section 26593.5 of the Health and Safety Code is amended to read:

26593.5. (a) The department shall require each bottler, distributor, or vendor of bottled water, each owner or operator of any water-vending machine, each water hauler, each retail water facility operator, each private water source operator, and each applicant for a license, to test for all substances necessary to establish conformance to standards adopted pursuant to Section 26591.2 at the times and frequencies the department may reasonably establish.

(b) Each product dispensed by a water-vending machine or a retail water facility shall be sampled and analyzed for coliform bacteria at least once every six months. The analysis shall be submitted to the department indicating whether the water is pure and wholesome. Analysis of vended water or water from retail water facilities shall be submitted to the local health officers if the local health officers are authorized by the department pursuant to subdivision (b) of Section 26592.2.

(c) Purified waters from retail water facilities shall be analyzed by the operator for dissolved solids by conductivity measurement not less frequently than once every seven days.

(d) Purified water from vending machines shall be analyzed by the operator for the dissolved solids by conductivity measurement each time the vending machine is serviced.

SEC. 17. Section 26593.6 of the Health and Safety Code is amended to read:

26593.6. (a) All sources of bottled water, vended water, and water dispensed by a retail water facility shall be monitored annually for the presence of volatile organic compounds of potential public health concern, as specified by the United States Environmental Protection Agency in Tables 2 and 14 contained in Volume 50 of the Federal Register on pages 46904, 46923, and 46924 on November 13, 1985, or as reasonably specified by the department as a condition of licensure.

(b) In lieu of source water monitoring required by this section, a water bottler, water vendor, or a retail water facility may document that the source monitoring required by this section is conducted by another entity approved by the department, or may comply with the treatment requirements of subdivision (c).

(c) Detection in the source water of a volatile organic compound, except trihalomethanes, for which source monitoring is required pursuant to this section shall be followed immediately by a program of periodic monitoring by the water bottler, water vendor, or retail water facility to confirm the presence or absence in the source water of the volatile organic compound. If the volatile organic compound is confirmed to be present in the source water it shall be treated using granular activated carbon treatment or an equivalent

treatment operated in accordance with good manufacturing practices as provided in Section 129.80 of Title 21 of the Code of Federal Regulations until the time that the concentration of the volatile organic compound does not exceed either one part per billion, or any United States Environmental Protection Agency or United States Food and Drug Administration level for drinking water, or a maximum contaminant level established by the department for bottled water.

(d) The department may exempt any water bottler, water vendor, or retail water facility from the monitoring requirements of this section for any source based on a showing satisfactory to the department that the source (1) does not contain the volatile organic compound for which monitoring is required and (2) is not vulnerable to contamination by the volatile organic compound because for surface water sources the compounds are not applied, manufactured, stored, disposed or shipped upstream, and for groundwater sources, the compounds are not applied, manufactured, stored, disposed, or shipped in the groundwater recharge basin.

SEC. 18. Section 26593.7 of the Health and Safety Code is amended to read:

26593.7. Notwithstanding any other provisions of this article, the department may require any bottler, distributor, or vendor of bottled water, any owner or operator of a water-vending machine, any water hauler, any retail water facility operator, any private water source operator, or any applicant for a license to test and submit results to the department for any substance, including organic chemical contaminants, at any time which the department believes the substance may be present in the water source and threaten the public health.

SEC. 19. Section 26593.8 of the Health and Safety Code is amended to read:

26593.8. (a) Upon a determination by the department that a particular water source is subject to potential contamination, the department shall notify the bottler, distributor, or vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator of the specific contaminants or class of contaminants which pose a potential health risk.

(b) Within 90 days after notification by the department, the bottler, distributor, vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator shall conduct an analysis of the water source and submit the results of the analysis to the department.

(c) If evidence of contamination is found, the department may, by order, require the bottler, distributor, vendor of bottled water, or the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source

operator to conduct a source and product water analysis for the contaminants of concern in accordance with conditions specified by the department. The water analysis shall be conducted and reported on an annual basis, unless the department finds that reasonable action requires either more frequent or less frequent analysis.

(d) The department may, by order, require the bottler, distributor, vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator to reduce or eliminate the concentration of any chemical which the department determines may have an adverse effect on public health. Until an enforceable standard has been established for a chemical which may have an adverse effect on human health, the department may require treatment techniques to reduce the concentration of the contaminants which require treatment, in the department's judgment, to prevent known or anticipated adverse effects on the health of persons. The treatment system shall be designed to meet criteria designated by the department or by an independent authority approved by the department.

(e) The department may grant variances from the requirements of subdivision (d), if the bottler, distributor, vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator demonstrates either of the following:

(1) That the prescribed treatment technique is not necessary to protect the health of consumers because its water source is not subject to, nor is it likely to be subject to, significant chemical contamination.

(2) An alternative treatment technique is at least as efficient in lowering the level of contaminants to be controlled.

SEC. 20. Section 26593.9 of the Health and Safety Code is amended to read:

26593.9. All testing of bottled water, bottled water sources, water distributed by water haulers, water from retail water facility, and water from vending machines shall be done by laboratories approved by the department, laboratories certified by the United States Environmental Protection Agency, laboratories certified by the primary enforcement authority in states which have been granted primacy by the United States Environmental Protection Agency, or laboratories certified (accredited) by a third-party organization acceptable to a primacy state.

SEC. 21. Section 26594 of the Health and Safety Code is amended to read:

26594. (a) Labeling and advertising of bottled water and vended water shall conform with the provisions of this section and Chapter 4 (commencing with Section 26400) of Division 21 and Part 101 of Title 21 of the Code of Federal Regulations.

(b) Each container of bottled water sold in this state, each water-vending machine, and each container provided by retail water

facilities located in this state shall be clearly labeled in an easily readable format. Retail water facilities which do not provide labeled containers shall post, in a location readily visible to consumers, a sign conveying required label information.

(c) Water-vending machines, retail water facilities, and private water sources which sell water at retail shall display in a position clearly visible to customers the following information:

(1) The name and address of the operator.

(2) The fact that the water is obtained from an approved public water supply or licensed private water source.

(3) A statement describing the treatment process used.

(4) If no treatment process is utilized a statement to that effect.

(5) A telephone number that may be called for further information, service, or complaints.

(d) Bottled water may be labeled "drinking water," notwithstanding the source or characteristics of the water, only if it is processed pursuant to the Food and Drug Administration Good Manufacturing Practices contained in Section 103.35 and Parts 110 and 129 of Title 21 of the Code of Federal Regulations, Sections 12235 to 12285, inclusive, of Title 17 of the California Code of Regulations, and any other requirements established by the department pursuant to Sections 26593.5, 26593.6, and 26593.7. Any vended water and any water from a retail water facility may be labeled "drinking water," notwithstanding the source or characteristics of the water, only if it is processed pursuant to Article 10 (commencing with Section 27650) of Chapter 4 of Division 22 and any other requirements established by the department pursuant to Sections 26593.5, 26593.6, and 26593.7.

SEC. 21.5. Section 26594.1 is added to the Health and Safety Code, to read:

26594.1. (a) In addition to the requirements of Section 26594, if a bottler, distributor, water hauler, retail water facility operator, or vending machine operator provides information in the labeling or advertising stating or implying that this water is of a specific water type (for example, "spring water") or treated in a specific manner (for example, "purified"), the type or treatment shall be clearly labeled in an easily readable format. In order to be so labeled, the source or treatment shall conform to the following criteria:

(1) "Artesian well water" means water from a well tapping an aquifer in which the water level will stand above the bottom of the confining bed of the aquifer, and in which the hydraulic pressure of the water in the aquifer is greater than the force of gravity. Artesian well water shall not be altered by the addition or deletion of minerals or by blending it with water from a nonartesian well water source, except that artesian well water may be filtered and shall be treated with ozone or an equivalent disinfection process.

(2) "Fluoridated water" means water containing naturally occurring or added fluoride. The label shall specify whether fluoride is naturally occurring or is added. Any water which meets the designation of this paragraph shall contain not less than 1.0

milligrams per liter fluoridization and otherwise comply with the Food and Drug Administration quality standards set forth in Section 103.35(d)(2) of Title 21 of the Code of Federal Regulations.

(3) "Mineral water" means bottled water or vended water containing more than 500 milligrams per liter of total dissolved solids and originating entirely from an underground source, which may be a well, artesian well, or spring. Bottled or vended mineral water may be derived from a natural orifice or from a bore hole adjacent to the natural orifice. If it is derived from a natural orifice or from a bore hole adjacent to the natural orifice, the water shall be from the same underground stratum and be of the same quality and composition as the water derived from the natural orifice without external force. Mineral water may not be altered by the addition or deletion of minerals or by blending it with water from a nonmineral water source, except that mineral water may be filtered and shall be treated with ozone or an equivalent disinfection process approved by the department and shall be treated to reduce the concentrations of any naturally occurring substance which exceeds the bottled water safety standards established by the department. Mineral water may be collected and transported by pipes, tunnels, trucks, or similar devices. Any water which meets the criteria of this paragraph may also be labeled "natural mineral water."

(A) Mineral water which contains carbon dioxide as it emerges from the source and is bottled directly with its entrapped gas, or from which the gas is mechanically separated and later reintroduced into the water at the time of bottling shall be labeled "naturally carbonated" or "naturally sparkling."

(B) Mineral water which contains carbon dioxide, other than that naturally occurring in the source product, shall be labeled with the words "carbonation added" or "carbon dioxide added" when the carbonation is obtained from a natural or manufactured source.

(4) "Mineralized water" means bottled or vended water which meets the requirements of "mineral water" except that the water contains added minerals.

(5) "Natural water" means bottled or vended spring, artesian well, or well water which is unmodified by mineral addition or deletion, except "natural water" may be filtered and shall be sanitized with ozone or an equivalent disinfection process and treated to reduce the concentration of any substance which exceeds safety standards established by the department.

(6) "Naturally sparkling water" means bottled water or vended water with a carbon dioxide content from the same source as the water. "Sparkling," "carbonated," or "carbonation added" means bottled water or vended water which contains carbon dioxide.

(7) "Purified water" means water produced by distillation, deionization, reverse osmosis, or other method meeting the definition of purified water in the 21st edition of the United States Pharmacopeia. Water which meets the designation of this paragraph, and is vaporized, then condensed, may be labeled "distilled water."

(8) "Spring water" means water which issues by natural forces out of the earth at a particular place. Bottled or vended spring water may be derived from the natural orifice or from a bore hole adjacent to the natural orifice. If it is derived from the natural orifice by external force or from a bore hole adjacent to the natural orifice, the water shall be from the same underground stratum and be of the same quality and composition as the water derived from the natural orifice without external force. Spring water may not be altered by the addition or deletion of minerals or by blending it with water from a nonspring water source, except that spring water may be filtered and shall be treated with ozone or an equivalent disinfection process. Spring water may be collected and transported by pipes, tunnels, trucks, or similar devices.

(9) "Well water" means water from a hole bored into the ground which taps the water of an aquifer, except that well water may be filtered and shall be treated with ozone or an equivalent disinfection process. Well water may not be altered by the addition or deletion of minerals or by blending it with water from a nonwell water source.

(10) Notwithstanding any other provision of this section, water from a public water system which is unprocessed by the bottler or vendor shall be labeled as "unprocessed public drinking water."

SEC. 22. Section 26594.2 of the Health and Safety Code is amended to read:

26594.2. Except as provided in Section 26591.2, any bottled water or vended water, the quality of which is below the quality required by this article, shall be labeled with a statement of substandard quality, as prescribed by Section 103.35 of Title 21 of the Code of Federal Regulations.

SEC. 23. Section 26594.3 of the Health and Safety Code is amended to read:

26594.3. Any bottler, distributor, vendor of bottled water, or owner or operator of any water-vending machine or retail water facility, whose corporate name or trademark contains the words "spring" or "springs," or any derivative of either of these words, or "well," "artesian well," or "natural" shall label each bottle or vending machine with the source of the water in typeface at least equal to the size of the typeface of the corporate name or trademark, if the source of the bottled or vended water is different from the source stated in the corporate name or trademark. Retail water facilities which do not provide labeled containers shall post, in a location readily visible to consumers, a sign conveying required label information.

SEC. 24. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless

otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 605

An act to add Chapter 5 (commencing with Section 835) to Division 1 of the Streets and Highways Code, relating to bridges.

[Approved by Governor September 20, 1989. Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares as follows:

(1) Recent highway bridge collapses in several states other than California resulting in motorist fatalities have demonstrated the importance for states to establish and implement ongoing programs of comprehensive bridge management and inspection.

(2) These experiences in other states point out how crucial it is that comprehensive bridge management policies are established, that all pertinent information on bridges is centralized and promptly available when needed, that uniform and proper inspection techniques are in place, that indepth structural integrity evaluations and life cycle projections of bridges are part of a comprehensive inspection program, and that preventive maintenance programs exist to extend the useful life of bridges.

(3) To ensure that similar bridge failures and their tragic consequences do not occur in California, it is essential that the state have in place practices to provide for comprehensive bridge management, thorough bridge inspections, and cost-effective preventive maintenance.

(b) It is, therefore, the intent of the Legislature in enacting this act, to inventory all privately owned, operated, or maintained bridges which are used by the public, and to require the Department of Transportation to review and evaluate the state's comprehensive program of bridge management and inspection so as to determine the extent to which the program coordinates and facilitates the inspection, maintenance, and repair of all publicly owned, operated, or maintained bridges in the state and to determine if any gaps in the program exist.

SEC. 2. Chapter 5 (commencing with Section 835) is added to Division 1 of the Streets and Highways Code, to read:

CHAPTER 5. BRIDGE SAFETY

835. Every owner or operator of a highway bridge which is open to use by the public, other than one owned or operated by any state

or federal agency, city, or county, shall, on or before January 1, 1991, notify the city or county, or both, in which the bridge is located, of the existence of the bridge and its location, date of construction, and length and width in feet.

SEC. 3. (a) The Department of Transportation shall prepare and submit to the Governor and Legislature on or before January 1, 1991, a report on the department's comprehensive bridge management and inspection program.

(b) The report shall consist of all of the following:

(1) A comprehensive review of the department's bridge management and inspection program, which shall include, but not be limited to, all of the following:

(A) The program's contents and goals, and the extent to which these goals have been met.

(B) The status of the bridge information data center maintained by the department as a central information data base for all publicly owned, operated, or maintained bridges in the state.

(C) The extent to which the central information data base contains the necessary information relating to ownership, location, construction date, design engineer, design type, summary of major design features, maintenance history, inspection rating, dates of substantial rehabilitation, restrictions on any use or load capacity, risks of structural failure from seismic shocks, and records of any structural failure relating to these bridges.

(D) A review of the department's program for inspection of these bridges, including, but not limited to, the uniform code of bridge inspection, a rating system keyed to the structural integrity, safety, and vulnerability to seismic shocks for each bridge, procedures for underwater inspections, procedures for the temporary closing of a bridge, and the requirements for performing bridge structural and foundation system evaluations in conjunction with an inspection.

(E) Recommendations for enhancing the department's comprehensive bridge management and inspection program, and central information data base.

(2) The status, progress, and results of the department's bridge management system development project, including, but not limited to, the development of network optimization routines and life cycle projections of the scope and estimated cost of maintenance, repair, or rehabilitation, or retrofitting for seismic safety, of publicly owned, operated, or maintained bridges in the state in order to provide criteria for comprehensive bridge management and safety.

(3) A review of the status and condition of publicly owned, operated, or maintained bridges in the state.

(4) The development of a comprehensive plan consisting of bridge maintenance, repair, and improvement needs, and the costs of these needs.

(5) The feasibility and cost effectiveness of the installation of detection and warning devices on bridges capable of detecting structural deterioration in advance of structural failure.

CHAPTER 606

An act to amend Sections 1520.3, 1524, 1550, 1556, 1596.851, and 1596.858 of, to add Sections 1525.3 and 1596.845 to, to add Article 19 (commencing with Section 27920) to Chapter 4 of Division 22 of, and to repeal Section 1508.5 of, the Health and Safety Code, relating to health.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1508.5 of the Health and Safety Code is repealed.

SEC. 2. Section 1520.3 of the Health and Safety Code is amended to read:

1520.3. (a) If an application for a license or special permit indicates, or the department determines during the application review process, that the applicant previously was issued a license under this chapter or under Chapter 1 (commencing with Section 1200), Chapter 2 (commencing with Section 1250), Chapter 3.3 (commencing with Section 1569), Chapter 3.4 (commencing with Section 1596.70), Chapter 3.5 (commencing with Section 1596.90), or Chapter 3.6 (commencing with Section 1597.30) and the prior license was revoked within the preceding two years, the department shall cease any further review of the application until two years shall have elapsed from the date of such revocation. The cessation of review shall not constitute a denial of the application for purposes of Section 1526 or any other provision of law.

(b) If an application for a license or special permit indicates, or the department determines during the application review process, that the applicant had previously applied for a license under any of the chapters listed in subdivision (a) and the application was denied within the last year, the department shall cease further review of the application under either of the following circumstances as follows:

(1) In cases where the applicant petitioned for a hearing, the department shall cease further review of the application until one year has elapsed from the effective date of the decision and order of the department upholding a denial.

(2) In cases where the department informed the applicant of his or her right to petition for a hearing as specified in Section 1526 and the applicant did not petition for a hearing, the department shall cease further review of the application until one year has elapsed from the date of the notification of the denial and the right to petition for a hearing.

The department may continue to review the application if it has determined that the reasons for the denial of the application were due to circumstances and conditions which either have been

corrected or are no longer in existence. The cessation of review shall not constitute a denial of the application.

SEC. 3. Section 1524 of the Health and Safety Code is amended to read:

1524. Each new license or special permit issued pursuant to this chapter shall expire 12 months from the date of its issuance.

A renewal license or special permit may be issued for a period not to exceed two years, if the licensee has been found not to be in violation of any statutory requirements or rules or regulations, during the preceding license period.

Application for renewal of a license or special permit shall be filed with the department pursuant to departmental rules and regulations.

A license shall be forfeited by operation of law prior to its expiration date when one of the following occurs:

(a) The licensee sells or otherwise transfers the facility or facility property, except when change of ownership applies to transferring of stock when the facility is owned by a corporation, and when the transfer of stock does not constitute a majority change of ownership.

(b) The licensee surrenders the license to the department.

(c) The licensee moves a facility from one location to another. The department shall develop regulations to ensure that such facilities are not charged a full licensing fee and do not have to complete the entire application process when applying for a license for the new location.

(d) The licensee is convicted of an offense specified in Section 220, 243.4, or 264.1, or paragraph (1) of Section 273a, Section 273d, 288, or 289 of the Penal Code, or is convicted of another crime specified in subdivision (c) of Section 667.5 of the Penal Code.

(e) The licensee dies. If an adult relative notifies the department of his or her desire to continue operation of the facility and submits an application, the department shall expedite the application. The department shall promulgate regulations for expediting applications submitted pursuant to this subdivision.

(f) The licensee abandons the facility.

SEC. 4. Section 1525.3 is added to the Health and Safety Code, to read:

1525.3. Prior to the issuance of any new license or special permit pursuant to this chapter, the applicant shall attend an orientation given by the department. The orientation given by the department shall outline all of the following:

(a) The rules and regulations of the department applicable to a community care facility.

(b) The scope of operation of a community care facility.

(c) The responsibility entailed in operating a community care facility.

SEC. 5. Section 1550 of the Health and Safety Code is amended to read:

1550. The department may deny an application for, or suspend or

revoke, any license or special permit issued under this chapter upon any of the following grounds and in the manner provided in this chapter:

(a) Violation by the licensee or holder of a special permit of this chapter or of the rules and regulations promulgated under this chapter.

(b) Aiding, abetting, or permitting the violation of this chapter or of the rules and regulations promulgated under this chapter.

(c) Conduct which is inimical to the health, morals, welfare, or safety of either an individual in, or receiving services from, the facility or the people of the State of California.

(d) The conviction of a licensee, or other person mentioned in Section 1522, at any time during licensure, of a crime as defined in Section 1522.

(e) The licensee of any facility or the person providing direct care or supervision knowingly allows any child to have illegal drugs or alcohol.

The director may temporarily suspend any license or special permit, prior to any hearing when, in the opinion of the director, the action is necessary to protect residents or clients of the facility from physical or mental abuse, abandonment, or any other substantial threat to health or safety. The director shall notify the licensee or holder of the special permit of the temporary suspension and the effective date of the temporary suspension and at the same time shall serve the provider with an accusation. Upon receipt of a notice of defense to the accusation by the licensee or holder of the special permit, the director shall, within 15 days, set the matter for hearing, and the hearing shall be held as soon as possible but not later than 30 days after receipt of the notice. The temporary suspension shall remain in effect until the time the hearing is completed and the director has made a final determination on the merits. However, the temporary suspension shall be deemed vacated if the director fails to make a final determination on the merits within 30 days after the original hearing has been completed.

SEC. 6. Section 1556 of the Health and Safety Code is amended to read:

1556. (a) If the director determines that it is necessary to temporarily suspend any license or special permit of a community care facility in order to protect the residents or clients of the facility from physical or mental abuse, abandonment, or any other substantial threat to health or safety, the department shall make every effort to minimize transfer trauma for the residents or clients.

(b) The department shall contact any local agency that may have placement or advocacy responsibility for the residents or clients of a facility after a decision is made to temporarily suspend the license or special permit of the facility and prior to its implementation. The department shall work with these agencies to locate alternative placement sites and to contact relatives responsible for the care of these clients or residents.

(c) In any case where the department alleges that a client or resident has a health condition or health conditions which cannot be cared for within the limits of the license or special permit, or requires inpatient care in a health facility licensed pursuant to Chapter 2 (commencing with Section 1250), the department shall do all of the following:

(1) Consult with physicians and surgeons about when the client or resident should be removed from the facility and how transfer trauma can be minimized.

(2) If the department temporarily suspends the license or special permit of a facility, use physicians and surgeons or other medical personnel deemed appropriate by the department to provide onsite evaluation of the clients or residents.

(3) If the department does not suspend the license or special permit of a facility, order the licensee to remove only those clients or residents who have health conditions which cannot be cared for within the limits of the license or special permit or require inpatient care in a health facility licensed pursuant to Chapter 2 (commencing with Section 1250), as determined by the department, if the department determines that other clients or residents are not in physical danger.

(d) In any case where the department orders the licensee, or holder of a special permit, to remove a client or resident who has a health condition or health conditions which cannot be cared for within the limits of the license or special permit or requires inpatient care in a health facility licensed pursuant to Chapter 2 (commencing with Section 1250), the licensee or holder of a special permit shall do all of the following:

(1) Prepare and submit to the department a written plan for relocation of the client or resident, in a form acceptable to the department.

(2) Comply with all terms and conditions of the approved relocation plan.

(3) Provide any other information as may be required by the department for the proper administration and enforcement of this section.

SEC. 7. Section 1596.845 is added to the Health and Safety Code, to read:

1596.845. Prior to the issuance of a new license or special permit pursuant to this chapter, Chapter 3.5 (commencing with Section 1596.90), or Chapter 3.6 (commencing with Section 1597.30) the applicant shall attend an orientation given by the department. The orientation given by the department shall outline all of the following:

(a) The rules and regulations of the department applicable to child day care facilities

(b) The scope of operation of a child day care facility.

(c) The responsibility entailed in operating a child day care facility.

SEC. 8. Section 1596.851 of the Health and Safety Code is

amended to read:

1596.851. (a) If an application for a license or special permit indicates, or the department determines during the application review process, that the applicant previously was issued a license under this act or under Chapter 1 (commencing with Section 1200), Chapter 2 (commencing with Section 1250), Chapter 3 (commencing with Section 1500), or Chapter 3.3 (commencing with Section 1569) and that the prior license was revoked within the preceding two years, the department shall cease any further review of the application until two years shall have elapsed from the date of the revocation. Cessation of review shall not constitute a denial of the application.

(b) If an application for a license or special permit indicates, or the department determines during the application review process, that the applicant had previously applied for a license under any of the chapters listed in subdivision (a) and the application was denied within the last year, the department shall cease further review of the application under either of the following circumstances as follows:

(1) In cases where the applicant petitioned for a hearing, the department shall cease further review of the application until one year has elapsed from the effective date of the decision and order of the department upholding a denial.

(2) In cases where the department informed the applicant of his or her right to petition for a hearing as specified in Section 1596.879 and the applicant did not petition for a hearing, the department shall cease further review of the application until one year has elapsed from the date of the notification of the denial and the right to petition for a hearing.

The department may continue to review the application if it has determined that the reasons for the denial of the application were due to circumstances and conditions which have been corrected or are no longer in existence. The cessation of review shall not constitute a denial of the application.

SEC. 9. Section 1596.858 of the Health and Safety Code is amended to read:

1596.858. A license shall be forfeited by operation of law prior to its expiration date when any one of the following occurs:

(a) The licensee sells or otherwise transfers the facility or facility property, except when change of ownership applies to transferring of stock when the facility is owned by a corporation, and when the transfer of stock does not constitute a majority change in ownership.

(b) The licensee surrenders the license to the department.

(c) The licensee moves the facility from one location to another. The department shall develop regulations to ensure that the facilities are not charged a full licensing fee and do not have to complete the entire application process when applying for license for the new location.

(d) The licensee is convicted of an offense specified in Section 220, 243.4, or 264.1, or paragraph (1) of Section 273a, Section 273d, 288, or

289 of the Penal Code, or is convicted of another crime specified in subdivision (c) of Section 667.5 of the Penal Code.

(e) The licensee dies. If an adult relative notifies the department of his or her desire to continue operation of the facility and submits an application, the department shall expedite the application. The department shall promulgate regulations for expediting applications submitted pursuant to this subdivision.

(f) The licensee abandons the facility.

SEC. 10. Article 19 (commencing with Section 27920) is added to Chapter 4 of Division 22 of the Health and Safety Code, to read:

Article 19. Child Day Care Facilities, Community Care Facilities, and Residential Care Facilities for the Elderly

27920. (a) The Legislature finds and declares that under a recent decision by the State Department of Health Services, child day care facilities, community care facilities, and residential care facilities for the elderly, have been deemed to come within the definition of a food establishment as defined in Section 27520. The Legislature further finds and declares that if this decision is fully implemented, many of the child day care facilities, community care facilities, and residential care facilities for the elderly, would be adversely affected due to the stringent requirements of this chapter.

(b) It is the intent of the Legislature to temporarily exempt child day care facilities, community care facilities, and residential care facilities for the elderly from the requirements of this chapter, pending the enactment of separate statutory provisions for these facilities which would contain health and safety standards appropriate to these facilities.

27920.5. For purposes of this article, the following definitions shall apply:

(a) "Child day care facilities" shall have the same meaning as defined in Section 1596.750.

(b) "Community care facilities" shall have the same meaning as defined in Section 1502.

(c) "Residential care facilities for the elderly" shall have the same meaning as defined in Section 1569.2.

27920.5. Child day care facilities, community care facilities, and residential care facilities for the elderly shall not be deemed to be either food establishments, as defined in Section 27520, or food facilities, as defined in Section 27521, and, therefore, shall be exempt from this chapter.

27921. (a) The State Department of Social Services, in cooperation with the State Department of Health Services, shall develop proposed food preparation provisions for child day care facilities, community care facilities, and residential care facilities for the elderly which would carry out the intent of this chapter to ensure the health and safety of individuals and also which would not adversely affect those facilities which are safely operated. In

developing proposed food preparation provisions for child day care facilities, the State Department of Social Services shall consult with the State Department of Education.

(b) The State Department of Social Services shall submit a recommendation of the proposed food preparation provisions to the Legislature no later than January 1, 1991.

(c) It is the intent of the Legislature to consider the recommended proposed food preparation provisions in the adoption of food preparation statutory requirements for child day care facilities, community care facilities, and residential care facilities for the elderly.

SEC. 11. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 607

An act to amend Sections 1718, 1718.3, and 1724 of the Business and Professions Code, relating to dentistry, and making an appropriation therefor.

[Approved by Governor September 20, 1989 Filed with Secretary of State September 21, 1989]

The people of the State of California do enact as follows:

SECTION 1. Section 1718 of the Business and Professions Code is amended to read:

1718. Except as otherwise provided in this chapter, an expired license may be renewed at any time within five years after its expiration on filing of application for renewal on a form prescribed by the board, and payment of all accrued renewal and delinquency fees If the license is renewed more than 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the expiration date provided in Section 1715 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 2. Section 1718.3 of the Business and Professions Code is amended to read:

1718.3. (a) A license which is not renewed within five years after

its expiration may not be renewed, restored, reinstated, or reissued thereafter, but the holder of the license may apply for and obtain a new license if the following requirements are satisfied:

(1) No fact, circumstance, or condition exists which would justify denial of licensure under Section 480.

(2) He or she pays all of the fees which would be required of him or her if he or she were then applying for the license for the first time and all renewal and delinquency fees which have accrued since the date on which he or she last renewed his or her license.

(3) He or she takes and passes the examination, if any, which would be required of him or her if he or she were then applying for the license for the first time, or otherwise establishes to the satisfaction of the board that with due regard for the public interest, he or she is qualified to practice the profession or activity in which he or she again seeks to be licensed.

(b) The board may impose conditions on any license issued pursuant to this section, as it deems necessary.

(c) The board may by regulation provide for the waiver or refund of all or any part of the examination fee in those cases in which a license is issued without an examination under this section.

SEC. 3. Section 1724 of the Business and Professions Code is amended to read:

1724. The amount of charges and fees for dentists licensed pursuant to this chapter shall be fixed by the board as is necessary for the purpose of carrying out the responsibilities required by this chapter as it relates to dentists, subject to the following limitations:

(a) The fee for applicants for a license shall not exceed one hundred dollars ($100).

(b) The fee for applicants for examination and for reexamination shall not exceed one hundred fifty dollars ($150). Applicants who are found to be ineligible to take the examination shall be entitled to a refund in an amount fixed by the board.

(c) The fee for an initial license and for the renewal of a license shall not exceed one hundred fifty dollars ($150).

(d) The delinquency fee shall be the amount prescribed by Section 163.5.

(e) The restoration fee for a license forfeited for nonregistration shall not exceed one hundred dollars ($100).

(f) The penalty for late registration of change of place of practice shall not exceed twenty-five dollars ($25).

(g) The application fee for permission to conduct an additional place of practice shall not exceed one hundred dollars ($100).

(h) The renewal fee for an additional place of practice shall not exceed one hundred dollars ($100).

(i) The fee for issuance of a substitute certificate shall not exceed twenty-five dollars ($25).

(j) The fee for a registered provider of continuing education shall not exceed one hundred dollars ($100) per year.

(k) The fee for a nonregistered provider of continuing education shall not exceed ten dollars ($10) for each course given by the nonregistered provider.